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APPRAISAL REPORT

COMMERCIAL AGRICULTURAL/GREENHOUSE PROPERTY

24000 Potter Road
Salinas, CA 93908

LETTER OF TRANSMITTAL



June 19, 2021

Ms. Lori Livachich
24000 Potter Road
Salinas, CA 93908

RE: Appraisal of a Commercial Agricultural/Greenhouse Property
24000 Potter Road, Salinas, CA 93908
Monterey County

At your request and authorization, KWA Appraisal (KWA) has prepared an appraisal report of the market value of the Fee Simple interest in the above-referenced real property "As Is". The subject property is more fully described, legally and physically, within the enclosed report.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of an inseparable from this letter.

Based on the foregoing analysis, it is concluded that the "As Is" market value of the Fee Simple interest in the subject property as of May 28, 2021 is:

SIX MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$6,400,000)

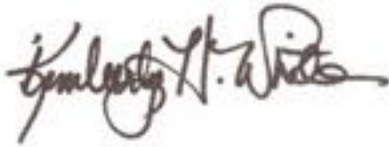
The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and The Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if I can be of further service, please do not hesitate to contact me.

Respectfully Submitted,
Kim H. White

by:

A handwritten signature in black ink, appearing to read "Kim H. White", written in a cursive style.

Kim H. White, CREA, CGBP, CCAC
KWA Appraisal
CA State Certification No. AG032137
Exp. Date: 02/27/2022

CERTIFICATION OF APPRAISER



We certify that to the best of our 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 our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA).
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. The undersigned appraiser has completed the requirements of the continuing education program of the State of California.
8. Kim H. White has made a personal inspection of the property that is the subject of this report. No one provided professional significant assistance.
9. The undersigned appraiser has extensive experience in the appraisal/review of similar property types.
10. All appraisers who signed off on this report are currently certified and/or licensed in the state where the subject is located.
11. Kim H. White has not performed professional services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Kim H. White, CREA, CGBP, CCAC
CA State Certification No. AG032137
Exp. Date: 02/27/2022

SUMMARY OF SALIENT FACTS

Property: Commercial Agricultural Cultivation/Greenhouse Property

Location: 24000 Potter Road, Salinas, Monterey County, CA 93908 – Physical Address.
The subject’s legal location is located in Monterey County.

Assessor’s Parcel Numbers: 137-051-021-000

Property Description: The subject property is comprised of approximately 45,917+/- square feet of existing greenhouses, warehouse, barn, single-family house and 4-units (total) that are in average condition. One of the four units is configured within the mezzanine of the warehouse and thus we have excluded the footage associated. In addition, there are two large horse arenas with triple crown fencing, three storage sheds, three modular housing units, removable exterior stalls and the SFR Garage (which have been considered as non-calculated improvements). The site also has approximately 4-acres of graded trucking yard which is currently used to store large commercial trucks. There were formerly greenhouse improvements at the truck yard site that were removed, graded and that location is now the current trucking yard parking. The subject is zoned F40 — Farmlands District. The following structures exist on-site currently:

Improvements	SF
Greenhouse (4)	35,424
Warehouse & Office	2,400
SFR (4BD/4BA)	2,338
Barn	1,800
4 Units	3,955
Total	45,917
Non-Calculated Improvements	
Storage Sheds (3)	N/A
Horse Arenas	N/A
Modular Units (3)	N/A
Removable Stalls	N/A
SFR Garage	630

Current Use: The property is currently 100% occupied by the Owner/User. The current use is as an agricultural property consisting of

one single family home, horse arena, four greenhouses, storage units, a horse barn, 3 portable modular units, warehouse with office and living 4-units, and a truck parking yard (level graded dirt).

Highest and Best Use

As Though Vacant: Owner/User Greenhouse/Cultivation/Agricultural Property

As Improved: Owner/User Greenhouse/Agricultural Property

Property Rights Appraised: Fee Simple

Date of Value: May 28, 2021

Land Area 10.00± acres / 435,600± SF (Total)

Improvements

Gross Building Area (SF):

Improvements	SF
Greenhouse (4)	35,424
Warehouse & Office	2,400
SFR (4BD/4BA)	2,338
Barn	1,800
4 Units	3,955
Total	45,917
Non-Calculated Improvements	
Storage Sheds (3)	N/A
Horse Arenas	N/A
Modular Units (3)	N/A
Removable Stalls	N/A
SFR Garage	630

Year Built: 1988 (approximated)

Overall Condition: Average

Estimated Marketing/Exposure Time: 6-12 months

Financial Indicators

Current Occupancy: 100% (Owner Occupied)

“As-Is” Valuation

Income Capitalization Approach: Not Developed

Sales Comparison Approach: \$6,400,000
Cost Approach: Not Applicable
Final Value "As Is"
Conclusion: **\$6,400,000**
Date of Value May 28, 2021

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ADDENDA

- Photographs of Subject Property, Regional & Neighborhood Map
- Cannabis Zoning and Flood Zone Designations
- Purchase Agreement
- Assumptions and Limiting Conditions
- Specific Assumptions and Limiting Conditions
- Engagement Letter
- Professional Qualifications
- State License

INTRODUCTION

PROPERTY IDENTIFICATION

The subject is located at 24000 Potter Road, Salinas, Monterey County, California 93908. The county assessor's tax identification number is 137-051-021-000.

A copy of preliminary title report was not provided for our review.

LEGAL DESCRIPTION

The Legal Description is provided below:

Legal Description:	MP 1 BUENA ESPERANZA RO POR OF SUB H OF LOT 3 SHOWN AS PARCEL Z IN R/S VOL 8 PG 77 10 AC		
County:	MONTEREY, CA	APN:	137-051-021-000
Census Tract / Block:	148,00 / 1	Alternate APN:	

OWNERSHIP AND PROPERTY HISTORY

The subject property owner of record is CV Transportation, Inc. per Monterey County records. The subject has not had a market transaction in the past three years.

The client supplied a Commercial Property Purchase Agreement and Escrow Instructions for Purchase dated August 18, 2020 and is currently in escrow with a purchase price of \$5,000,000. The Sales and Buyer Agent is Susan Thomas of Coldwell Banker. The sale is between Calamus Brands, Inc. (Buyer) and CV Transportation (Seller).

Addendum #1 has the following conditions:

1. Sale is subject to buyers able to receive a CUP (Conditional Use Permit) from Monterey County.
2. Buyers upon when they Sale the property, Seller will receive 5% of the gross sales.
3. Seller to remain on the property after COE and will continue to operate and live on the property until first planting or 60-day notice.

No other Addendum's were provided. Based upon our review of the sale transaction and comparables, it appears that the current escrow price represents below market value. Other conditions of sale were not made available.

DATE OF INSPECTION AND VALUATION

The site was last inspected by Kim White on May 28, 2021 (noted interior and exterior of the subject was inspected). The date of value in the report was estimated as of May 28, 2021, which represents the Fee Simple "As Is" value as of the date of inspection.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the Fee Simple Estate in the subject property "As Is".

Market value is defined as follows:

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all condition's 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 interests;
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. ¹

INTENDED USE OF REPORT

The intended use of this report is for potential private party sale and/or financial planning. It may be used in connection with the acquisition and disposition of the property.

INTENDED USER OF REPORT

This appraisal is for use by Lori Livachich and its representatives. Lori Livachich is our client and the entity that has engaged us.

PROPERTY RIGHTS APPRAISED

The value estimated represents the Fee Simple Interest.

SCOPE OF WORK - APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The following steps were completed by KWA for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.

¹ The definition of market value is taken from: The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, §34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Third Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 1992 edition. This definition is also compatible with the OTS, RTC, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

2. Inspected the subject and the neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and city services.
4. Considered comparable improved sales, comparable improved building and rental information. Confirmed data with principals, managers, or real estate agents representing principals, unless otherwise noted.
5. Analyzed the data to arrive at conclusions via each approach to value used in this report.
6. Reconciled the results of each approach to value employed into a probable range of market data and finally an estimate of value for the subject, as defined herein.
7. Estimated a reasonable exposure time associated with the value estimate.

The subject site and improvement descriptions are based on a personal inspection of the property and knowledge of construction techniques. The inspection is not a substitute for thorough engineering studies.

To develop the opinion of value, KWA APPRAISAL performed a complete and thorough appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice utilizing the Sales Comparison and Income Capitalization approaches. The Cost Approach was excluded from our analysis as the subject is older and depreciation is difficult to determine. Further, Buyers in the subject's market are not relying upon the Cost Approach.

This report is intended to comply with the reporting requirements set forth under Standards of Professional Appraisal Practice (2020-2021 USPAP). In this appraisal, KWA APPRAISAL has considered all known applicable approaches to value. The value conclusion reflects all known information about the subject property, market conditions, and available data.

The Restricted Use Report incorporates in a summary format with a practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. It also includes summarized descriptions of the subject property and the market for the subject property type. All data considered significant that was requested for this assignment was received by KWA.

The subject property was valued "As Is", by gathering sales of buildings in finished condition. These sales were applied in the Sales Comparison Approach to derive a final "As Is" value conclusion. The Sales Comparison approach was utilized in valuing the subject property "As Is"

The report incorporates a practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. It also includes summarized descriptions of the subject property and the market for the subject property type. All data considered significant that was requested for this assignment was received by KWA APPRAISAL.

The Sales Comparison Approach is predicated on the principle that a buyer would pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. The data developed was considered sufficiently reliable to reach a value conclusion by the Sales Comparison Approach.

We have applied the Sales Comparison approach only, which is the most applicable approach for an Owner/User valuation with no historical/income data provided for the year of valuation. Due to the project size, buildings and tenant configuration of the subject property, the most likely buyer for the subject property is an Owner/User or Investor, similar to the current Owner.

The final value conclusion and the approaches relied upon give strong consideration to the market behavior of the typical buyer and current market environment for the property appraised.

We have searched MLS, LoopNet, Public Record, CoStar and surveyed Local Owners and Brokers for sale and rental comparables within the subject's market area.

COMPETENCY STATEMENT

The Appraiser, Kim White is competent to appraise the subject property by having requisite abilities, qualities, knowledge and insight to the property type. They possess the necessary appraisal experience along with continuous academics in order to remain abreast of current and future trends in the real estate market and the appraisal profession.

PERSONAL PROPERTY

There were no items of personal property considered or included in this valuation.

SPECIAL APPRAISAL INSTRUCTIONS / EXTRAORDINARY ASSUMPTIONS

During our onsite inspection on May 28, 2021, we were able to inspect all of the structures at the subject site. It is an Extraordinary Assumption that any structure not inspect at the subject is similar condition and quality to other units in that building.

Extraordinary Assumptions

- ~ It is an extraordinary assumption that the improvements (above or below ground) on the parcel do not contain hazardous chemicals that would require remediation, thus altering the value of the property to a potential buyer as they would consider remediation costs against the price.
- ~ There is an extraordinary assumption that the approved historic footprint will be available for potential future building.
- ~ That the site is suitable for State licensing of Cannabis Cultivation and that future CEQA requirements will not impede obtaining a state license or CUP. Along these lines, it is assumed that the County will allow construction of a building or buildings.

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

There were no special appraisal instructions for this appraisal report.

GENERAL ASSUMPTIONS

Various estimates of building and site data were furnished by the owner, client, and/or their agents. This opinion of value reported herein assumes that the data provided are the most recent and accurate.

We note that our appraisers are not experts in the following domains:

- Technical Environmental Inspections: No Environmental Site Assessment report was provided in conjunction with this appraisal. If a report is commissioned and there are any environmental issues uncovered, they could affect our opinion of value reported. We recommend the services of a professional engineer for this purpose.
- Zoning Ordinances: We recommend an appropriately qualified land use attorney if a definitive determination of compliance is required.
- Building Inspections: We recommend a building engineer or professional property inspector for the inspection. Any immediate expenditures that a trained professional may determine are needed, could affect our opinion of value reported.
- Easements, Encroachments, and Restrictions: We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.
- Building Health and Fire Codes: Our valuation assumes there are no known code violations.

GEOGRAPHIC COMPETENCY

In order to acquire geographic competency, the appraisers have researched the local market, examined supply and demand factors, economic and development activity, and interviewed local market participants and real estate brokers.

MARKETING/EXPOSURE TIME

Based upon a review of recent sales transactions in the subject market area and interviews with market participants, along with inspection and evaluation of the subject property, 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 "As Is" as of the date of value of this appraisal is estimated to be 6-12 months – marketing/exposure time. We forecast that this is

a reasonable time of exposure under current market conditions (*and given the Covid-19 Epidemic*) to sell the subject at the appraised value. It is also necessary to estimate the appropriate "exposure time" which is defined as the amount of time from when a property is available for sale to the date on which it enters escrow.

AREA ANALYSIS

The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its locational quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood, which influence and create value for the subject properly.

REGIONAL INFLUENCES

Overview

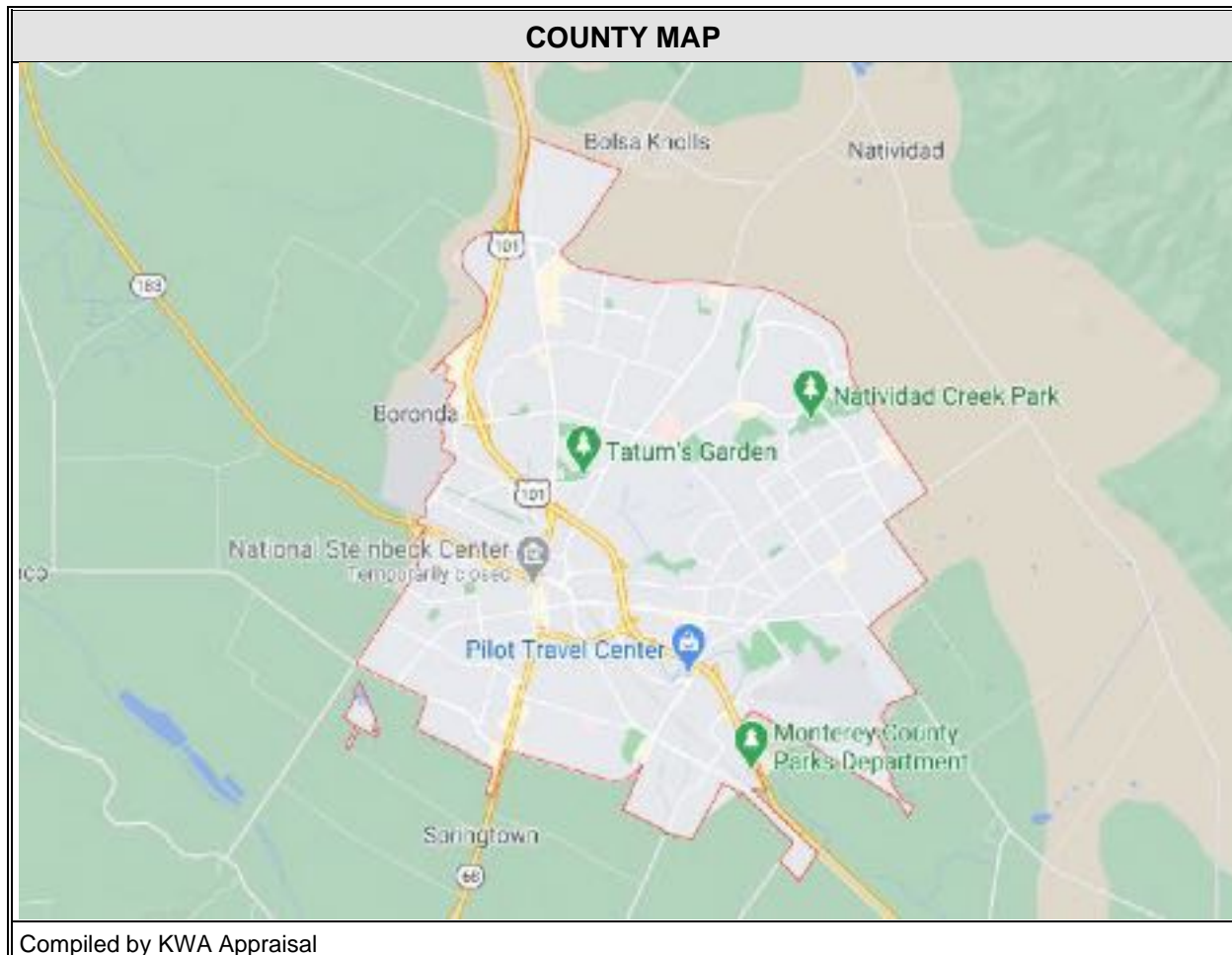
The subject is located at 24000 Potter Road in the City of Salinas, which is an incorporated city in Monterey County, California.

MONTEREY COUNTY

Monterey County is a county located on the Pacific coast of the U.S. state of California. As of the 2010 census, the population was 415,057. The county seat and largest city is Salinas.

Monterey County comprises the Salinas, CA Metropolitan Statistical Area. It borders the Monterey Bay, from which it derives its name. The northern half of the bay is in Santa Cruz County. Monterey County is a member of the regional governmental agency, Association of Monterey Bay Area Governments.

The coastline, including Big Sur, State Route 1, and the 17 Mile Drive on the Monterey Peninsula, has made the county world-famous. The city of Monterey was the capital of California under Spanish and Mexican rule. The economy is primarily based upon tourism in the coastal regions and agriculture in the Salinas River valley. Most of the county's people live near the northern coast and Salinas Valley, while the southern coast and inland mountain regions are sparsely populated.



History

Monterey County was one of the original counties of California, created in 1850 at the time of statehood. Parts of the county were given to San Benito County in 1874. The area was originally populated by Ohlone, Salinan and Esselen tribes.

The county derives its name from Monterey Bay. The bay was named by Sebastian Vizcaino in 1602 in honor of the *Conde de Monterrey* (or *Count of Monterrey*), then the Viceroy of New Spain. Monterrey is a variation of Monterrei, a municipality in the Galicia region of Spain where the *Conde de Monterrey* and his father (the Fourth Count of Monterrei) were from.

Geography

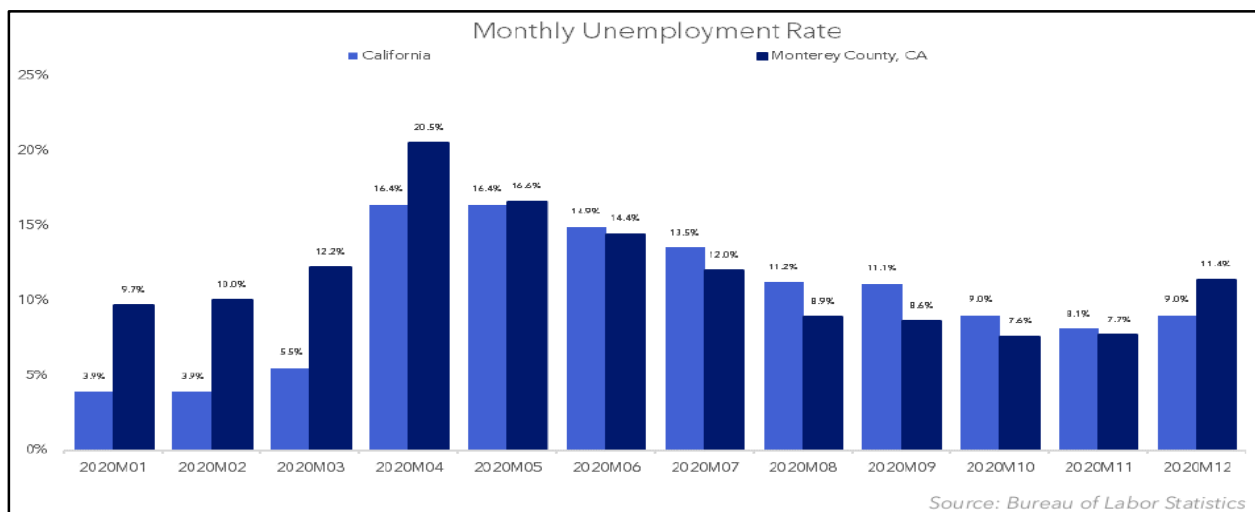
According to the U.S. Census Bureau, the county has a total area of 3,771 square miles (9,770 km²), of which 3,281 square miles (8,500 km²) is land and 491 square miles (1,270 km²) (13%) is water. The county is roughly 1.5 times larger than the state of Delaware, and roughly similar in population and size to Santa Barbara County.

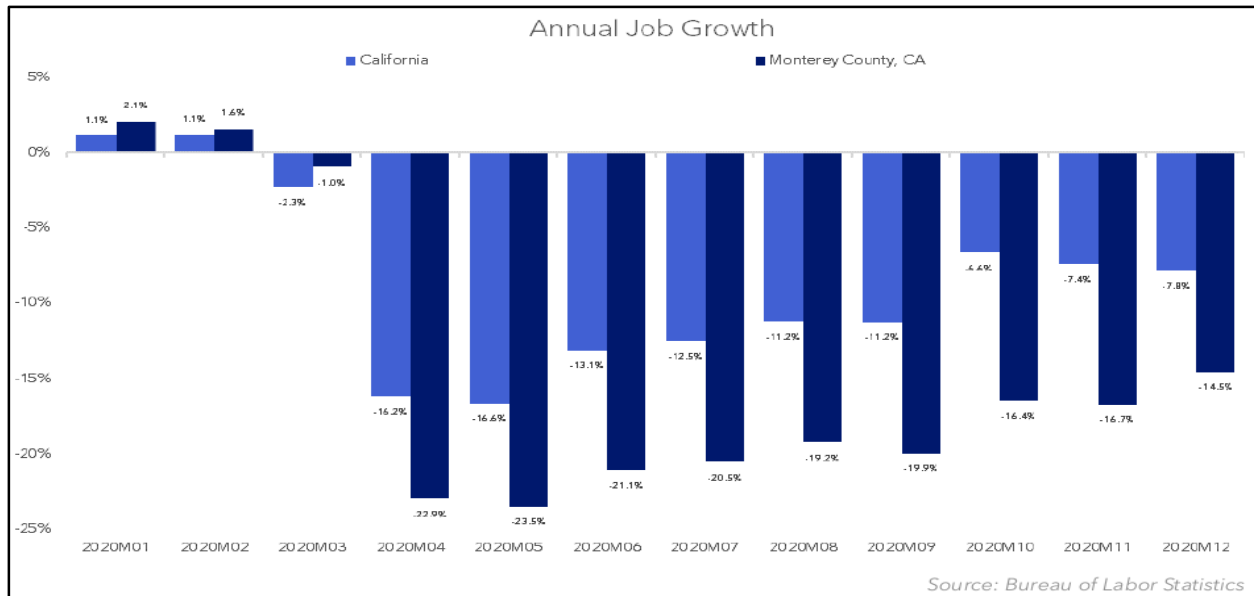
Economy

Local Area Attribute Ratings		
Attribute	Trend	Description
Labor Market	Limited growth	The economy was seeing limited job growth prior to the pandemic. Now, the economy has contracted significantly.
Household Income	Elevated	The household income is elevated but falls below the metro and state wide median.
Population Growth	Steady growth	Population growth has been steady over the past ten years and the area is expected to see continued growth.
Transportation	Neutral	The area offers public options, but the majority have their own method.

Jobs & Unemployment

Salinas, as in the wider U.S., remains in recession thanks to the coronavirus pandemic. Even before the onslaught of the virus, metro unemployment was elevated compared to the national average. While some jobs have returned, the unemployment rate continues to outpace that of many parts of the nation due to the affluent and leisure-focused areas of Monterey and Carmel. Thanks to those locales, Salinas is home to significantly more leisure and hospitality jobs than the U.S. norm. Add in retail trade, and the two employment nodes accounted for approximately 30% of all local jobs to begin 2020. Moreover, leisure and hospitality were easily leading Salinas in job growth on the eve of the pandemic, and retail trade was picking up new workers as well. However, each sector has experienced multiple waves of job losses because of both mandated store closures and reduced service offerings. Government also accounts for an outsized concentration of jobs, and year-over-year growth was notably higher than that of the wider metro in the beginning of 2020. While typically a sector that helps buttress employment during economic downturns, this time has been different. Tax revenue has cratered because of the pandemic, and unlike nearly all local employment nodes, government has lost workers since metro job losses bottomed last April.





Demographics

Generally, the western/southern parts of the Monterey Peninsula, Carmel Valley, Creekbridge (Salinas), and eastern parts of Prundale were the county's most affluent and educated (see dark blue on map).

These areas had a median household income significantly above that of the California or the U.S. overall (typically above \$95,000 vs. \$60,000 for California and \$52,000 for the U.S.) and comprised roughly 8%-10% of neighborhoods (as defined by Census Block Groups). Educational attainment was at least on par with, or above, state and national levels, in these areas while the percentage of people living in poverty was typically a third or less than national and statewide average (with the exception of South Salinas).

Social deprivation (poverty and low levels of educational attainment) was concentrated in the central and eastern parts of Salinas, and central areas of Monterey, Seaside, Marina, Soledad and King City. In central and eastern Salinas up to 46% of individuals lived below the poverty line and those without a secondary education formed a plurality or majority of residents. Overall, the Salinas metropolitan area, defined as coterminous with Monterey County, was among the least educated urban areas in the nation.

Conclusion

While Monterey is well known for its tourist destinations throughout, the area has been largely affected by those same industries. There is a clear bifurcation between the haves and haves-not. In Monterey County income varies considerably based on job and location. Those that live on the coast are affluent, while those in the retail and service sectors have lower wages. These industries have been affected the most by the pandemic, and many

have not returned to work. This will weigh on the recovery moving forward. It is likely than Monterey County will take longer to rebound than its peers.

CITY OF SALINAS

Salinas is the county seat and largest municipality of Monterey County, California. Salinas is located just outside the southern portion of the greater Bay Area and 10 miles (16 km) east-southeast of the mouth of the Salinas River, at an elevation of about 52 feet (16 m) above sea level. The population was 155,662 as of 2013.

The city is located at the mouth of the Salinas Valley roughly eight miles from the Pacific Ocean and has a coastal climate. The city consists mostly of late 20th century single family homes and low-level apartments, ranging from modest bungalows to spacious luxury homes, and serves as the main business, governmental and industrial center of the region.

The marine climate is ideal for the floral industry, grape vineyards, and vegetable growers. Salinas is known for its vibrant and large agriculture industry and as the hometown of writer and Nobel Prize in Literature laureate John Steinbeck, who based several of his novels there.

Geography

According to the United States Census Bureau, the city has a total area of 23.2 square miles, 99.84% of it land and 0.16% of its water.

Prior to mass agricultural and urban development, much of the city consisted of rolling hills bisected by wooded creeks and interspersed with marsh land. The city rests about 59 feet above sea level, and it is located roughly eight miles from the Pacific Ocean. The Gabilan and Santa Lucia Mountain ranges border the Salinas Valley to the east and to the west, respectively. Both mountain ranges and the Salinas Valley run approximately 90 miles south-east from Salinas towards King City.

The Salinas River runs the length of the Salinas Valley and empties into the Pacific Ocean at the center of the Monterey Bay. During the summer months the river flows partially underground and it is this extensive underground aquifer that allows for irrigation of cropland in an area without much annual rainfall.

Demographics

As of the 2008-2012 American Community Survey by the U.S. Census Bureau, Salinas tended to be poorer and less educated than California and the nation as a whole, with the notable exception of sizable neighborhoods in the southern and north-eastern portions of the city (see thematic maps and table below). The most affluent and educated neighborhoods in Salinas are Creekbrige (North-East), Laurelwood (Central-West) and South Salinas (South-West). Hebron Heights/central East Salinas was

the poorest and least educated - as it has been since the Alisal area containing it was annexed by the city in 1963.

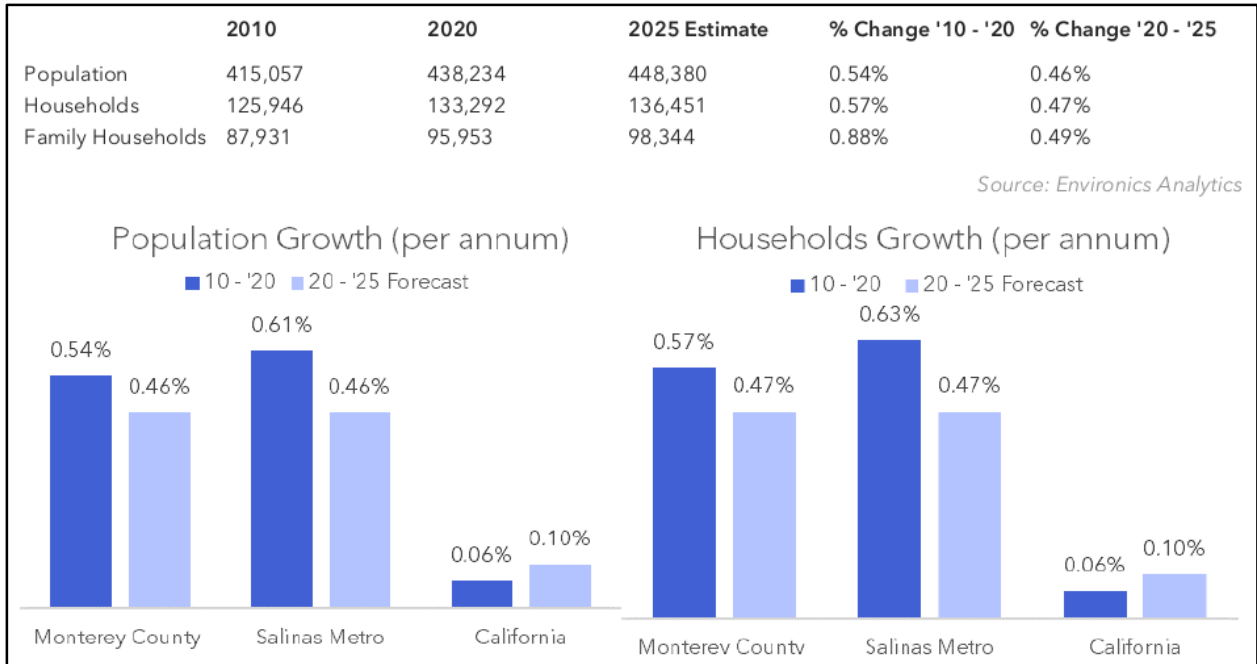
The following demographic profile, reflects the subject’s municipality and market. All values presented herein are estimates for 2021 and all figures presented are for the subject neighborhood unless otherwise stated.

	Area	2000 Census	2010 Census	Growth	2021 Estimate	Growth	2026 Projection	Growth
Population	Salinas	147,397	150,441	0.20%	161,097	0.69%	165,601	0.55%
	Monterey County	401,759	415,057	0.33%	438,234	0.54%	448,380	0.46%
Households	Salinas	37,134	40,305	0.82%	42,892	0.62%	44,007	0.51%
	Monterey County	121,228	125,946	0.38%	133,292	0.57%	136,451	0.47%
Family Households	Salinas	29,183	31,483	0.76%	33,544	0.64%	34,434	0.53%
	Monterey County	87,931	90,472	0.29%	95,953	0.59%	98,344	0.49%

While most neighborhoods saw 1 in all 4-to-6 residents live in poverty, only 1 in 25 residents lived in poverty in Creekbridge - by far the lowest rate in the city and less than a third of state and national average. Regarding educational attainment, the pattern was different. There remained a significant disparity across the city, but the city's most affluent neighborhoods failed to exceed national or statewide averages despite having significantly higher incomes and lower poverty than California or the nation as a whole.

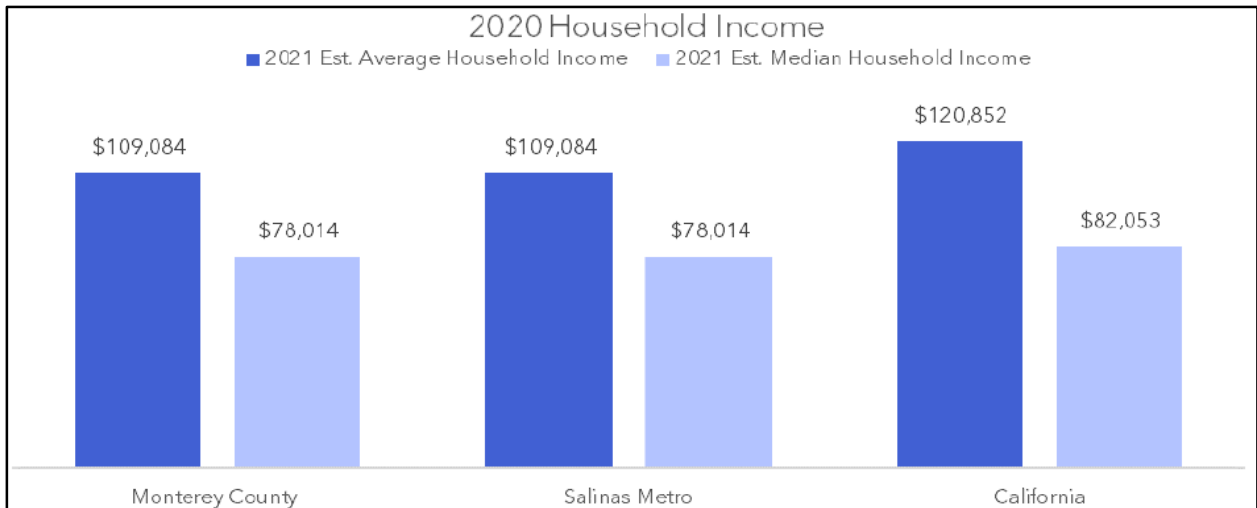
Population

The Salinas Metro Area has a population of 438,234 as of 2020. As illustrated in the table below, the current population of Monterey County has increased at an annual rate of .54% since 2010, which is lower than the metro area as a whole. Looking forward, population growth is expected to decelerate, but remain positive, increasing at an annual rate of .46% over the next five years. A breakdown of households and families in presented below along with growth projections for the next five years.



Household Income Levels

The median household income is well above the U.S. norm. Still, earnings throughout are low for most. Conditions in the city of Salinas, for example, differ greatly from those in the coastal areas where the cost of living is higher, and the residents are very affluent.



Education

Salinas is the second least educated area among the 150 largest metropolitan areas in America. Salinas has seven school districts serving the city core and adjacent unincorporated areas. The largest school district in Salinas is the Salinas Union High School District (grades 7-12) with 13,578 students enrolled in 10 campuses. The Salinas City Elementary School District is the largest elementary school






district in Salinas, with 13 schools and 7,954 students. Other districts include Santa Rita Union Elementary School District, Graves Elementary School District, Washington Union School District, Lagunita School District, and Alisal Union School District. Opportunities for higher education in Salinas include Hartnell College.

Transportation

Major Highways and Roads

U.S. Route 101 is the major north-south highway in Salinas, linking the city to the rest of the Central Coast region, San Francisco to the north, and Los Angeles to the south. California State Route 68 heads west to Monterey, while California State Route 183 runs northwest to Castroville.

State Route 68 (SR 68) is a state highway in the U.S. state of California, located entirely in Monterey County. It runs from Asilomar State Beach in Pacific Grove to U.S. Route 101 in Salinas. The approximately 20-mile-long highway serves as a major route between the Monterey Peninsula and Salinas.

-  SR 68  US 101
-  SR 1  CR G17
-  SR 218

Rail

Amtrak, the national passenger rail system, serves Salinas, operating its *Coast Starlight* daily in each direction between Seattle, Washington, and Los Angeles.

Bus

Public transportation via bus is provided by Monterey-Salinas Transit. Public buses take passengers throughout the county, as well as San Jose and Gilroy. Buses to San Jose and Gilroy connect to Caltrain and Amtrak in those cities. Greyhound operates from the Salinas Amtrak station with service to other California cities and throughout the United States.

Airport

Salinas Municipal Airport is located on the southeastern boundary of the City of Salinas, three miles from the city center. It is a general aviation facility occupying 763 acres, with three runways serving single and twin-engine aircraft and helicopters, as well as an increasing number of turbo-propeller and turbine-powered business jets.

The airport has an air traffic control tower in operation twelve hours a day, seven days a week. The airport terminal is located on Mortensen Avenue and houses airport office staff as well as

professional offices. The city is currently accepting proposals for leasing and operation of the restaurant located within the Terminal. Salinas Airport Commissioners agreed to a proposed project that would bring a 100-room hotel, offices and hangars to a vacant lot in front of the Salinas Municipal Airport terminal. The Salinas Jet Center would include a national chain hotel, 80,000 square feet of office space, four large complexes combining more offices with airplane hangars and a 24-hour, full-service aircraft fueling station. The project would also include a taxiway to allow planes to access the new hangars.

The airport has full Instrument Landing System (ILS) and VHF omnidirectional range (VOR) located on the airport. The ILS has a Medium Intensity Approach Lighting System, with Runway Alignment Indicator Lights. The VOR approach has Runway End Identifier Lights. All but the ILS runway, RWY 31, have Visual Approach Slope Indicators (VASIs).

The airport is the site of the California International Airshow, set annually in the late summer or early autumn. The event draws thousands of visitors to Salinas over its three-day run.

Conclusion – City of Salinas

Overall, the City of Salinas is considered adequate with moderate demand and adequate supply. The rebound from the 2008 financial crisis was not as strong as most top tier cities in California; however, Salinas did experience an adequate rebound in commercial real estate prices.

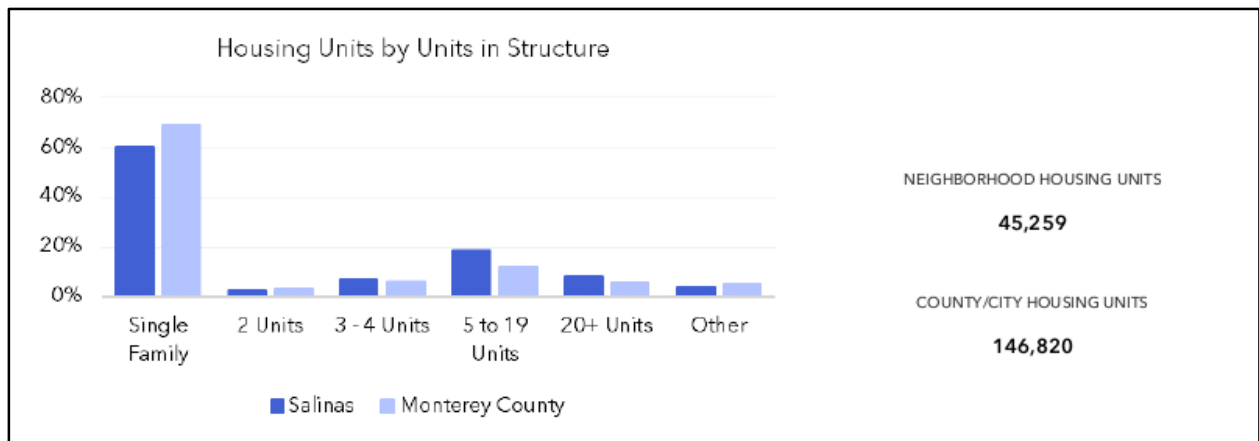
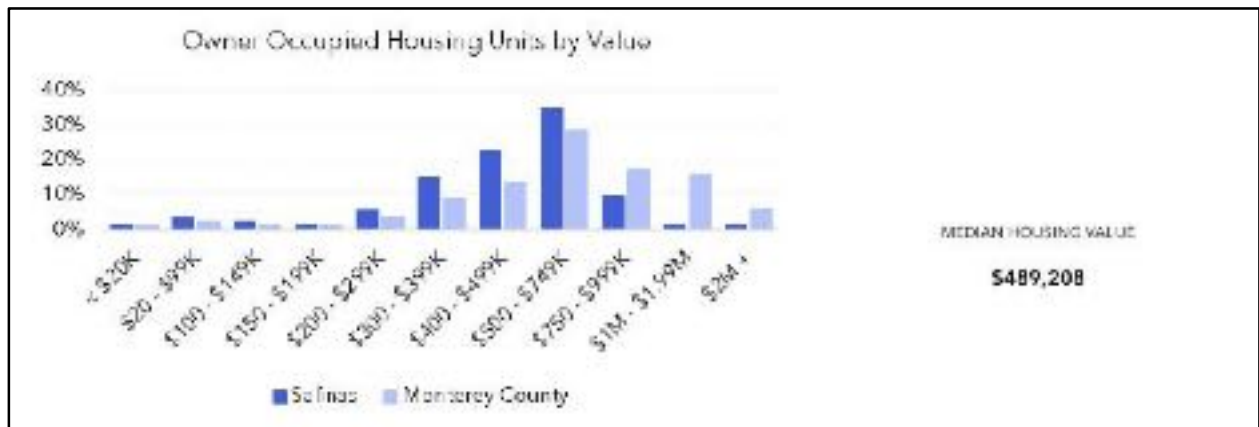
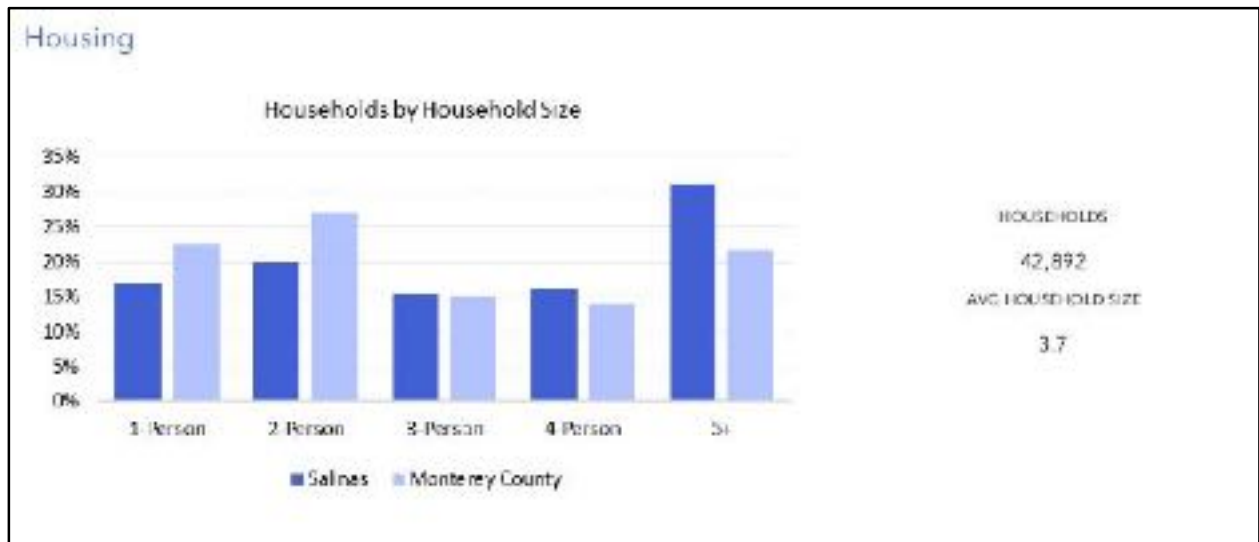
Neighborhood Influences

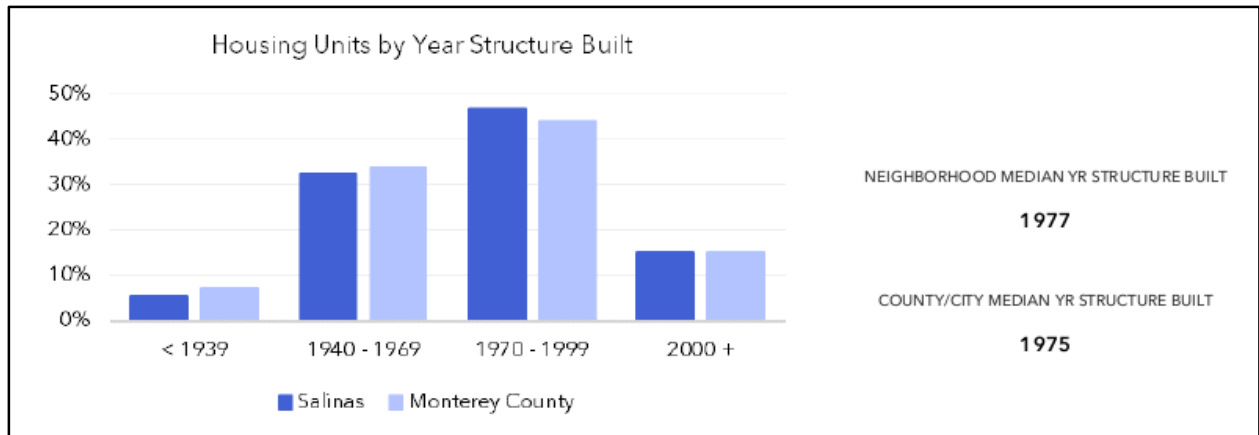
Location

The physical address of the property is 24000 Potter Road, Salinas, Monterey County, CA 93908. The subject property is located on the south side of Potter Road. The area predominately includes an agricultural use at varying densities.



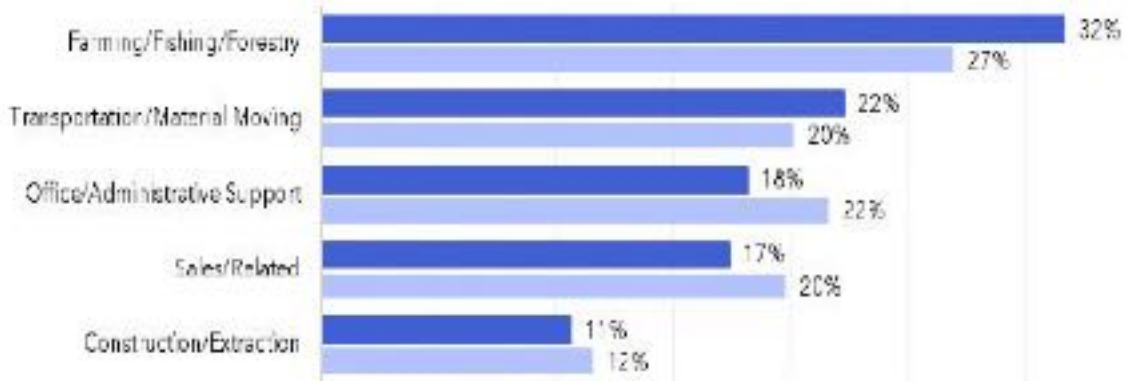
Demographic Overview – Neighborhood Specific



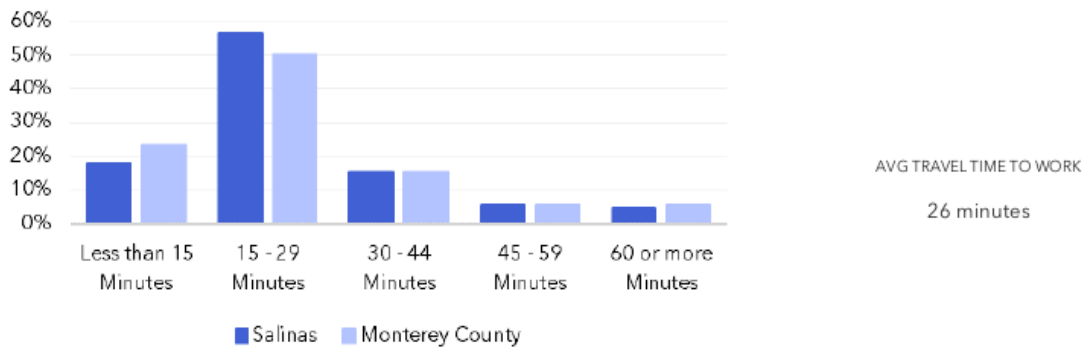


Employment & Transportation

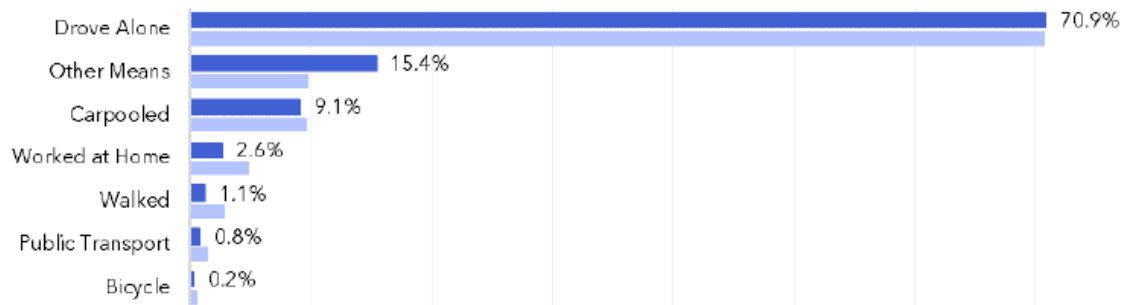
Top 5 Employment Occupations in Neighborhood



Travel Time to Work



Transport Mode to Work in Neighborhood



Boundaries

The neighborhood boundaries are considered to be:

- North: Alisal Road
- South: US-101 Freeway
- East: Old Stage Road
- West: US-101 Freeway/California Route G17

Land Use

In general, the land uses within the immediate neighborhood area are comprised of Commercial agricultural and residential developments. Other commercial developments surround the subject property along the major thoroughfares. The overall occupancy appears stable within the market area with regards to industrial warehouse and commercial service-related uses with most projects in average to good condition. The neighborhood appears to be over 65% developed.

Access

Primary access to the subject property is provided via Potter Road which is an east-west two-way secondary roadway. Access to the subject property is provided by one curb cut via Potter Road.

Conclusion and Relevance to the Subject Property

The neighborhood has features and qualities, which contribute to a positive demand for real estate. All utilities are available throughout the neighborhood and the improvements in the area are generally in average condition. The streets and other public areas are also in average condition, and parking is adequate. The subject benefits from having direct local access to the US Highway 101 on-ramps that are located 1.45 miles southwest from the subject.

MARKET ANALYSIS – AGRICULTURAL INDUSTRY

Monterey County Agricultural Land Analysis

An overview of local market conditions is a necessary aspect of the appraisal process. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. In this section, KWA Appraisal discusses the status of local market conditions.

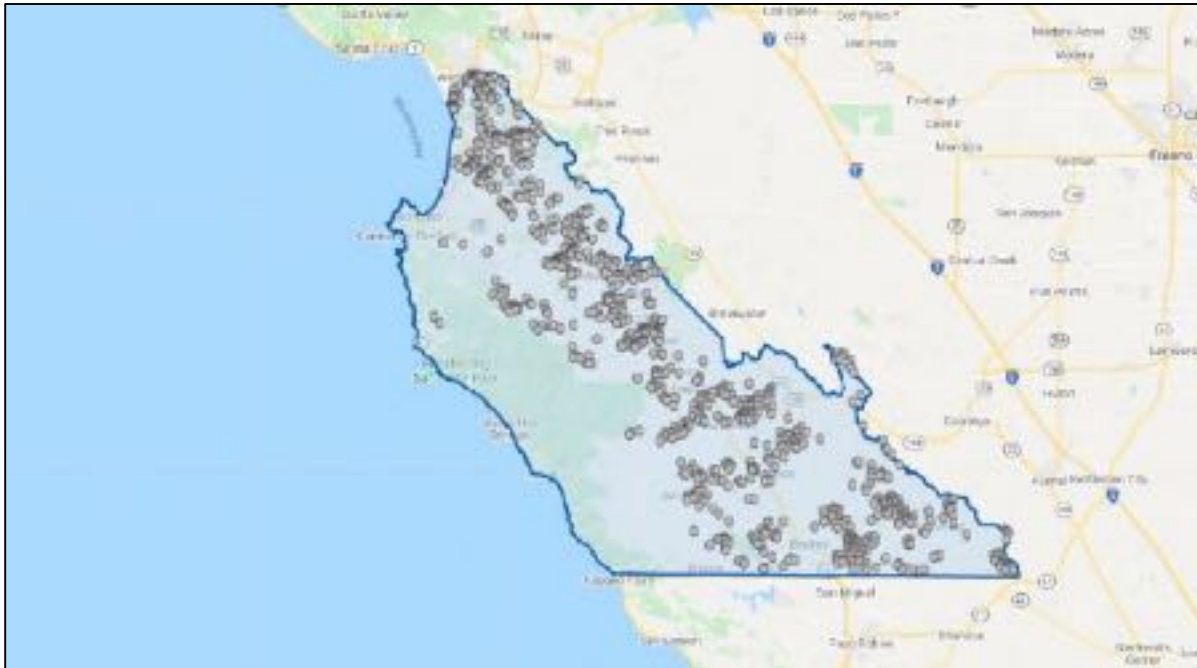
The subject is located in Salinas which is a submarket.



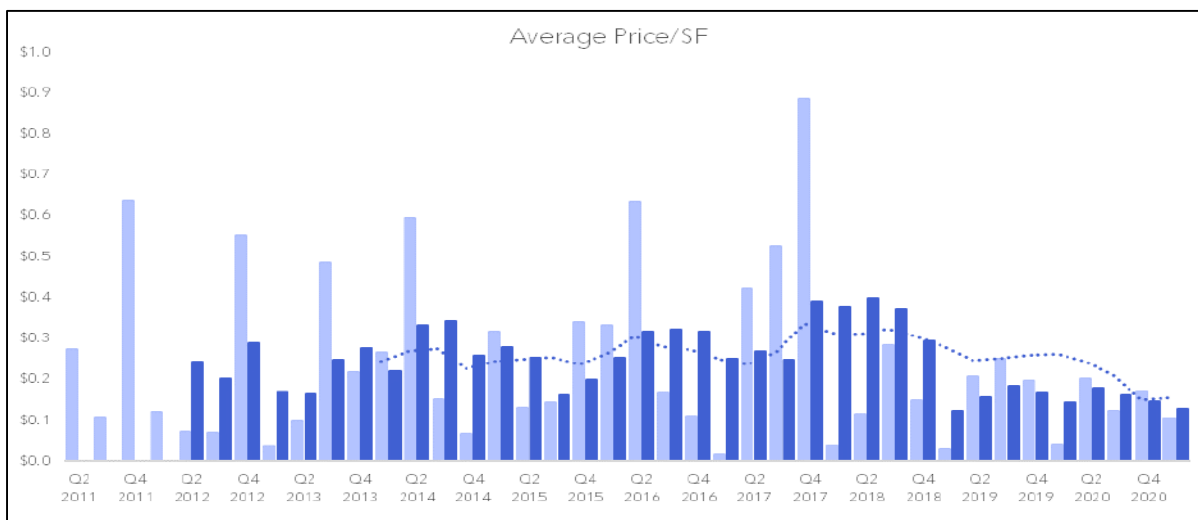
Overview

The Farmlands Zoning Districts or “F” Districts in Monterey County allow for all soil dependent agricultural uses, including crop and tree farming, dry land farming, livestock farming, greenhouses, and vineyards. Values have steadily expanded this cycle but have seen limited growth over the last few years.

This data was compiled using Public Record data from CoStar.

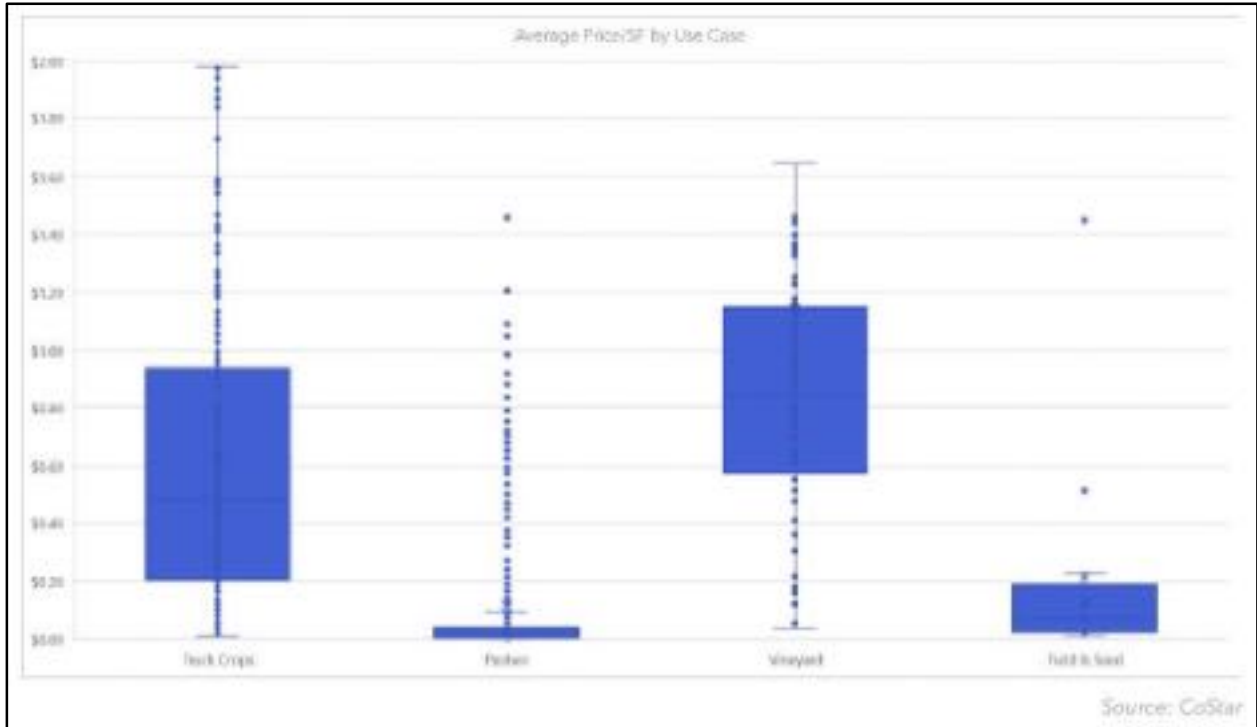


Values



Values vary by agricultural use case throughout Monterey County. Agricultural land that is used for Vineyards typically attract the higher price/SF, with a median price reaching ~\$0.80SF but has

reached ~\$1.60/SF. Truck crops, which typically include tomatoes, lettuce, melons, beets, broccoli, celery, radishes, onions, cabbage, and strawberries, command high values as well. Although, with a median price of ~\$0.50/SF, falls just short of Vineyards, although values can reach \$2.00/SF. Agricultural sites that are used for Pasture or Field and Seed command lower values.



MONTEREY COUNTY AGRICULTURAL LAND ANALYSIS

The subject is located in the Central Coast Farming Region. The following is excerpted from the ASFMRA 2020 Market Report regarding cannabis growth in this region:

2020 saw the completion of a California Environmental Quality Act (CEQA) analysis for greenhouse properties in the Salinas Valley, which had been an impediment for completing permits as the applicants were waiting on the traffic analysis portions to move forward; this is judged to remove some risk to new operations coming online. Similar to other investment sectors, there was limited activity overall in the Monterey County area as the market dealt with the unknowns of a pandemic. There were no greenhouse sales to speak of in Monterey County, but several properties are reportedly in escrow at prices that indicate stable to increasing values for large-scale cannabis producers.

Santa Cruz County had at least one greenhouse sale and San Benito County also had a 2020 sale after the approval of a maximum of 50 licenses in early 2019. To the south, in Santa Barbara County, there was little in greenhouse sales activity, but there were several sales of properties in the Los Alamos/Lompoc/Santa Ynez areas for open grow operations, which is unique to Santa Barbara County where there is reportedly a potential to crop twice given the micro-climates and emerging strains. Processors are investing in open grow properties in traditional northern California grow areas to keep control over their supply of flower, but if Santa Barbara continues to permit open grow and expansion of the industry, we could see an increasing portion of the cannabis processed in the Central Coast of California being sourced from Santa Barbara. Indoor leasing activity has slowed as the market continues to stabilize.

MONTEREY COUNTY					
Row Crops	\$28,500 - \$75,000	Strong	Moderate	Increasing	\$1,000 - \$3,500
Plantable (Wine Grapes)	\$20,000 - \$50,000	Moderate	Very Limited	Stable	N/A
Wine Grapes	\$25,000 - \$75,000	Moderate	Very Limited	Decreasing to Stable	N/A
Rangeland	\$700 - \$2,000	Limited	Very Limited	Stable	\$6 - \$30

HISTORICAL VALUE RANGE PER ACRE			
LAND USE	ROW CROPS	RANGELAND	WINE GRAPES
MONTEREY COUNTY			
2020	\$28,500- \$75,000	\$700 - \$2,000	\$25,000- \$75,000
2019	\$27,500- \$75,000	\$700 - \$2,000	\$35,000- \$75,000
2018	\$26,000- \$70,000	\$700 - \$2,000	\$35,000- \$75,000
2017	\$25,000- \$63,000	\$700 - \$2,000	\$25,000- \$75,000
2016	\$25,000- \$60,000	\$700 - \$2,000	\$25,000- \$75,000
2015	\$25,000- \$60,000	\$700 - \$2,000	\$25,000- \$60,000
2014	\$25,000- \$60,000	\$700 - \$2,000	\$25,000- \$50,000

There are real estate sale transactions taking place, but the pace has slightly slowed. The sales tend to represent properties that have been redeveloped and have all necessary permitting in place or were near completion. The coastal counties that allow cannabis cultivation now have similar permitting requirements, as provisional licensing is coming to an end. Places like Santa Barbara County there is significant public pushback and permitting is being delayed as anti-cannabis groups, including wine groups concerned about cannabis affecting flavors, are contesting permits at both the Planning Commission and County Supervisorial levels.

San Mateo County has seen its first cannabis cultivation greenhouse finalized and Santa Cruz County continues to experience limited activity. Monterey County has several leases in process; rental rates appear to have stabilized and are expected to increase. The consensus amongst

market participants, from cultivators to retailers (dispensaries), is that the largest burden is the tax rate, limiting the growth of the legal industry and keeping black-market cannabis stable. Hemp cultivation is becoming an alternative use in greenhouses that are too close to residential areas, but in areas where cannabis cultivation is taking place many counties are requiring a minimum distance between hemp and cannabis cultivation sites to prevent pollination. Cultivation of high-quality hemp for a smokable alternative to cannabis (for CBD) is anticipated to absorb some of the greenhouse space that the contracting flowing industry vacating; however, rents and land values are not nearly as high as those paid for cannabis-eligible properties.

The outlook for the nursery/greenhouse market in 2021 is for stabilization with limited new construction of greenhouse facilities.

FARM LABOR HOUSING

Similar to last year, demand for Farm Labor Housing (FLH) remains strong and there has been little activity to add large quantities of beds for I-12A or low-income homes for domestic labor.

Salinas saw an additional 1,200 beds added in a large FLH project located at the periphery of the city and some smaller projects that had sewer access and historic farm labor housing uses; these developments were not spurred by last year's passage of ABI 783 as incentives from the bill are negated by the requirement for a non-profit middleman to manage the FLH.

The large projects Monterey County has approved are highly similar and are anticipated to operate efficiently during the pandemic, as they are designed with negative air pressure to keep air in the units clean, thus potentially reducing airborne disease and allowing the occupants to quarantine in their units, if needed. There has also been some activity regarding accessory dwelling units (ADUs) to help alleviate the housing demand statewide, but thus far the market has seen only minimal activity and no substantive impact has been made.

Nonetheless, counties are pursuing options to spur development as seen in Ventura County where approved ADU plans for farm worker units have been provided by the county and the permit process will be streamlined for applicants using those plans for farm labor housing. There were reportedly sales of motels in the Santa Maria area to be used specifically for FLH.

Summary

With a total value of over \$4.4 billion, cited from the 2019 crop report, Monterey County is the fourth largest licensed cannabis county according to CDFA. The long history of traditional agriculture carries with it a robust support infrastructure perfect for cannabis cultivation. With these attributes, Monterey County has a bright future for the cannabis industry, and currently has a very pro-cannabis ordinance that allows for all state available cannabis operations.

COMPETITIVENESS

Primary Competition

Most of the subject's surrounding (adjacent) uses are other commercial cultivation and warehouse projects. The properties are similar in terms of use age/condition and overall appeal.

Optimum Demand Parameters for the Subject Property

The optimum demand for the subject property comes from an Owner/User or Investor.

SUBJECT / CANNABIS SPECIFIC INFORMATION

Given the subject property may be utilized as a Cannabis Cultivation and/or Grow operation at some time in the future, we have included Cannabis Specific Information for reference purposes.

In 2015, the Monterey County Board of Supervisors adopted an ordinance allowing cannabis cultivators to utilize historic greenhouse space, located mostly south and east of the City of Salinas to cultivate cannabis. Similarly, the cities of Salinas, Seaside, Gonzales, Greenfield, and King City adopted ordinances allowing for the cultivation of cannabis in green house and indoor facilities, and each have their own regulations and tax structures surrounding cannabis businesses. The vast majority of Cannabis cultivation occurs within the unincorporated areas of Monterey County.

Monterey County's Cannabis Ordinance limits cultivation to the footprint of buildings on farmland-zoned property, including the neglected greenhouses remnant of a once thriving flower industry.

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) specifically governs the regulation of commercial cannabis activity in California and is described as follows:

Business and Professions Code section 26001(f) defines "cannabis" as the following:

"Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by section 11018.5 of the Health and Safety Code.

It should be noted that "Industrial hemp" is specifically excluded from the definition of "cannabis". Industrial hemp contains a separate regulation and description.

Licenses

Per the 2019 Cannabis Production Report produced by Monterey County, all Monterey County commercial cultivators are issued state licenses from the CDFA CalCannabis Licensing Division. Cannabis licenses generally fall within two categories: cultivation and nursery. Cultivation licenses are required to cultivate cannabis in its mature state (flowering plants).

Monterey County’s ordinance allows for commercial indoor cultivation and mixed light cultivation. Indoor cultivation utilizes only artificial light whereas mixed light cultivation combines artificial and natural light to grow cannabis. At the local level, an applicant needs at least two permits to operate in Monterey County. First, the applicant must obtain a Land Use Permit (LUP) from the County of Monterey, which allows a specific property to be used for cannabis business purposes. Second, the applicant must obtain a Monterey County Cannabis Business Permit (CNB), which allows an operator to pass initial screening and background checks and provides the County with square footage production for tax purposes. A licensee may not operate without a valid LUP, CNB, and state license, and must be in good standing with the County.

Licensing can be the biggest barrier to entry for participants. In general, it could take up to a year or more for licensing to be completed.

TABLE A	2019 CDFA CalCannabis Cultivation Licensing in Monterey County										
	NURSERY	PROCESSOR	SPECIALTY COTTAGE MIXED LIGHT (2,500 ft ²)	SPECIALTY COTTAGE INDOOR (500 ft ²)	SPECIALTY INDOOR (5,000 ft ²)	SPECIALTY MIXED LIGHT (5,000 ft ²)	SMALL INDOOR (10,000 ft ²)	SMALL MIXED LIGHT (10,000 ft ²)	MEDIUM INDOOR (22,000 ft ²)	MEDIUM MIXED LIGHT (22,000 ft ²)	TOTAL
NO. OF LICENSES ISSUED BY CDFA	43	31	2	2	12	43	9	318	2	8	470
CULTIVATION LICENSED (SQUARE FEET)	Unlimited	—	5,000	1,000	60,000	215,000	90,000	3,180,000	44,000	176,000	3,771,000
CULTIVATION LICENSED (ACRES)	—	—	0.11	0.02	1.38	4.94	2.07	73.00	1.01	4.04	86.57

Review of Table A In 2019, CDFA CalCannabis licensed approximately 3.77 million square feet, or 86.5 acres, of cannabis cultivation area for flowering plants in Monterey County. Eight different license types were issued in Monterey County to produce flowering canopy. License types represent gross production area permitted for cultivation and must not exceed each licensed square footage of flowering canopy. All the licensed square footage was not utilized in production during 2019. Even so, many operations utilized numerous licenses at one location. Throughout the year, there were approximately 70 locations utilizing the 470 licenses issued. Approximately 68% of licenses issued were for Small Mixed Light which reflects the use of numerous greenhouses in the Salinas Valley. Nursery licenses are needed to cultivate vegetative plants, that are not flowering, from seed or clones. Processor licenses are needed for combining post-harvest activities between licenses and cannot cultivate Cannabis.

The following information is provided via the California Cannabis website:

As a licensee, what other cannabis businesses can I do business with? ▾

The licensing authorities allow licensees to conduct business with other licensees irrespective of their designation as adult-use (A-designated) and/or medicinal (M-designated) licenses.

However, distributors shall only transport and sell cannabis goods designated as "For Medical Use Only," pursuant to the requirements prescribed by the California Department of Public Health (CDPH) in regulation, to M-designated retailers. Moreover, products designated as "For Medical Use Only," pursuant to requirements prescribed by CDPH in regulation, shall only be sold to medicinal customers by M-designated retailers.

Can the ownership structure on a license change? ▾

Changes in ownership shall be made in accordance with the following:

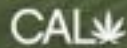
- A change in ownership occurs when a new person meets the definition of owner.
- A change in ownership does not occur when one or more owners leave by transferring their ownership interest to other existing owner(s). In this situation, the owner or owners that are transferring their interest shall provide a signed statement to the Bureau confirming that they have transferred their interest to the existing owner(s).
- If one or more new people meet the definition of owner, and at least one existing owner will remain as an owner under the new ownership structure, the new owners shall submit the information required under [section 5002\(c\)\(20\)](#) for each new owner to the Bureau within 14 calendar days of the effective date of the ownership change. The business may continue to operate under the active license while the Bureau reviews the qualifications of the new owner(s).
- If all owners will be transferring their ownership interest, the business shall not operate under the new ownership structure until a new license application has been submitted to and approved by the Bureau, and all application and license fees for the new application have been paid.

When there is a change in persons with financial interest(s) in the commercial cannabis business that do not meet the requirements for a new license application, the licensee shall notify and submit the new information to the Bureau within 14 calendar days of the change.

Can a license be transferred to a new person? ▾

Licenses issued by the Bureau are issued to a specific person (business entity or individual). Licenses may not be transferred to a new entity or individual. A licensee that changes their business entity type will usually be required to submit a new application and obtain a new license issued to the new entity.

However, a licensee who is converting business entity types must meet all of the requirements of the Corporations Code to be considered the same entity for the purposes of licensing and may not be required to submit a new application. If you have questions about your specific situation, please contact the Bureau.



Q. What types of cannabis cultivation licenses will be offered in California?

A. The California Department of Food and Agriculture (CDFA) will issue 17 types of cannabis cultivation licenses:

Specialty Cottage Outdoor

An outdoor cultivation site with up to 25 mature plants

Specialty Cottage Indoor

An indoor cultivation site with up to 500 square feet or less of total canopy

Specialty Cottage Mixed-Light

A mixed-light cultivation site with 2,500 square feet or less of total canopy

Specialty Outdoor

An outdoor cultivation site with 5,000 square feet or less of total canopy—or up to 50 mature plants on noncontiguous plots

Specialty Indoor

An indoor cultivation site of between 501 and 5,000 square feet of total canopy

Specialty Mixed-Light

A mixed-light cultivation site of between 2,501 and 5,000 square feet of total canopy

Small Outdoor

An outdoor cultivation site of between 5,001 and 10,000 square feet of total canopy

Small Indoor

An indoor cultivation site of between 5,001 and 10,000 square feet of total canopy

Small Mixed-Light

A mixed-light cultivation site of between 5,001 and 10,000 square feet of total canopy

Medium Outdoor

An outdoor cultivation site of between 10,001 square feet and 1 acre of total canopy

Medium Indoor

An indoor cultivation site of between 10,001 and 22,000 square feet of total canopy

Medium Mixed-Light

A mixed-light cultivation site of between 10,001 and 22,000 square feet of total canopy

Nursery

Cultivation of cannabis solely as a nursery (examples of typical nursery activities include cloning and seed propagation)

Processor

A cultivation site that conducts only trimming, drying, curing, grading, or packaging of cannabis and nonmanufactured cannabis products

Large Outdoor

Note: CDFA will not issue any Large Outdoor licenses prior to January 1, 2023

For outdoor cultivation that uses no artificial lighting for more than 1 acre of total canopy size on one premises

Large Indoor

Note: CDFA will not issue any Large Indoor licenses prior to January 1, 2023

For indoor cultivation that exclusively uses artificial lighting for more than 22,000 square feet of total canopy size on one premises

Large Mixed-Light

Note: CDFA will not issue any Large Mixed-Light licenses prior to January 1, 2023

For cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold (which will be determined by the licensing authority) for more than 22,000 square feet of total canopy size on one premises

Market Participant Interviews

We have also interviewed Brokers active in the area about the subject's market value.

The subject's cultivation and warehouse market are considered to be good in the area should a buyer choose to utilize the property for cannabis. The market outlook appears to be good for cultivation uses.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). At this time, we believe the complete impact is still unknown. We interviewed Ms. Susan Massa-Thomas of Coldwell Banker Commercial NRT (831) 320-3119 with respect to his perspective within the market of the current impact and climate regarding this historic condition.

Ms. Massa-Thomas is one of only a few Brokers who work exclusively with sales and listings of cannabis properties in the Monterey County area. Ms. Massa-Thomas stated the market for this property type is extremely busy. They are not light on inventory as much of the other market products and have continued to show and sell properties through the 2021 year. The outlook for the nursery/greenhouse market in 2021 is for stabilization with limited new construction of greenhouse facilities. As clients realize the potential return on investment (18% on average), more clients become interested.

The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

STRENGTHS, WEAKNESSES AND OPPORTUNITIES

As more states legalize marijuana for medical use, it will drive the need for more growing and processing facilities. The subject resides in the Green Zone of Monterey County. The industries growth makes this a compelling sector for real estate investors seeking upside potential. However, even after most states have legalized pot sales, cannabis growth remains illegal under federal law. That federal ban closes big banks and stock exchanges to the business. Congress has talked about mending the financial disabilities of American pot growers, but federal reform will probably take a while. But the fact remains that cannabis-related real estate is generating 11% to 15% cap rates. In a cap rate starved world where we are seeing 4% and 5% cap rates, this is something that will be of interest to investors.

There has been increased demand for similar assets for cannabis/cannabis cultivation, the passage of the 2018 Farm Bill has allowed state departments of agriculture to submit cannabis program plans for approval and regulate cannabis cultivation per their state specific programs. In addition, the Fed recently lowered interest rates to historic lows, which will benefit commercial real estate owners and buyers.

There are several converging trends that make 2021 a volatile year for all but the most experienced industry players.

The macro trends to watch for in California's cannabis market include:

- ~ Expanded license opportunities around the state.
- ~ Continued maturation of products and consumer preferences.
- ~ Pricing pressures.
- ~ Newly legalized banking and finance services.

In addition, voters around the state have recently approved dozens of local initiatives to tax and/or regulate cannabis-related businesses. While not all of these jurisdictions will retain prohibition conditions until decision-makers realize the myriad benefits of legalization.

Cannabis consumers are increasingly able to differentiate between licensed and unlicensed retailers and products due to health and safety concerns spurred by the vape crisis and COVID-19 pandemic. This will result in an increased focus on quality control and product legitimacy.

Pandemic-related disruptions are one driver accelerating cannabis consumption. As quarantine conditions drive consumption, so too will they drive product development, with an increased focus on products specifically tailored to addressing insomnia and anxiety. We also anticipate seeing a surge in offerings for women and seniors in 2021.

It is also possible the federal government will remove obstacles to accessing banking and traditional services in 2021. Such a move would increase valuations across the board, as new debt financing would provide companies breathing room to expand and innovate.

Subject Specific

Strengths / Opportunities

- Cannabis is a HOT market (stronger demand & higher prices) and Flowers are not.
- Highest ROI for agricultural crops given year-round indoor cultivation.
- Good linkage to Monterey, San Jose, San Francisco, and the Bay Area.
- The farmland has good location in the Green Zone within the Salinas Valley.

Weaknesses / Threats

- Coronavirus pandemic
- Federal legislation inhibits financing for lending purposes.
- Extensive site improvements required.
- State Licensing (CUPs) for cultivation and distribution required.

SITE ANALYSIS

The description of the site can be detailed as follows:

<i>Location:</i>	24000 Potter Road, Salinas, Monterey County, California 93908.
<i>Assessor's Parcel Numbers:</i>	137-051-021-000 (Monterey County Assessor)
<i>Land Area¹</i>	10.00± acres / 435,600± SF (Total – 1 Parcels).
<i>Shape and Frontage:</i>	The subject site's shape is rectangular. The subject has direct access from Potter Road.
<i>Topography and Drainage:</i>	The site is generally level. Our investigation did not reveal any significant drainage problems.
<i>Soils:</i>	No soils report was provided; it is assumed that soils are adequate for the existing use.
<i>Easements and Encroachments:</i>	A copy of preliminary title report was not provided for our review. There does not appear to be any adverse easements or encroachments that would diminish the utility or marketability of the subject property. This valuation assumes that the market value of the subject property is not adversely affected by any easements, encroachments or other special conditions.
<i>Covenants, Conditions, and Restrictions:</i>	A copy of preliminary title report was not provided for our review. This valuation assumes that the market value of the subject property is not adversely affected by any covenants, other than zoning and other special conditions.
<i>Utilities:</i>	Public & Septic Sewer
<i>Flood Zone:</i>	<p>According to maps published by the Federal Emergency Management Agency (FEMA), the subject lies within Zone A as indicated on FEMA Community Map Panel 060195-06053C-0240G dated April 2, 2009.</p> <p>The subject property is located in Flood Zones "A" and "X" which defines areas both inside and outside the flood zone. The flood zone information is provided by the FEMA Flood Insurance Rate Map Number 060195-06053C0400G, dated April 2, 2009. It should be noted the "A" Zoning is minimal. Please see Zoning for further information regarding Flood Zone of subject.</p>

¹ Source: Plat Map

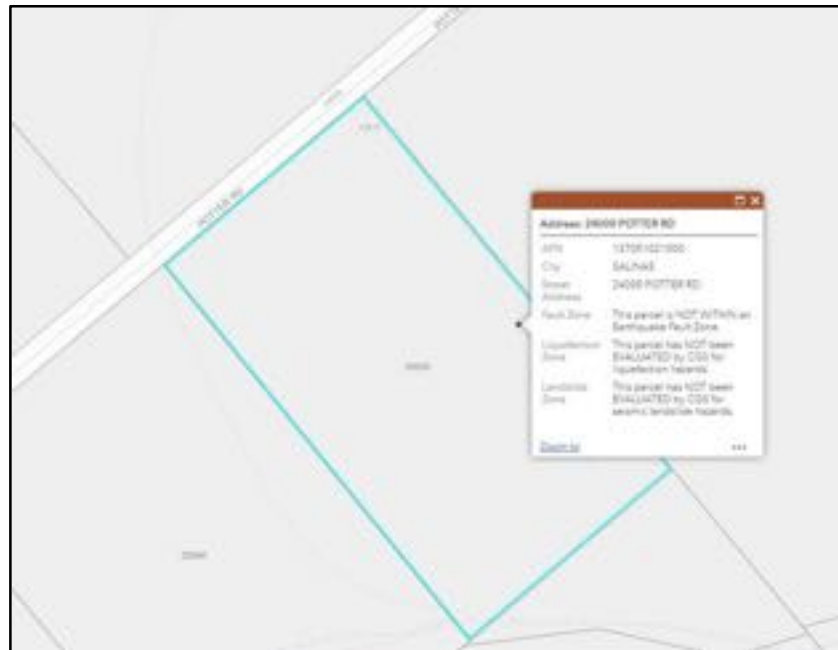


2400 POTTER RD, SALINAS, CA 93908-9734		
Report Date: 03/23/2021	County: MONTEREY, CA	
Flood Zone Code	Flood Zone Panel	Panel Date
A	060195 - 06053C0400G	04/02/2009
Special Flood Hazard Area (SFHA)	Within 250 ft. of multiple flood zones?	Community Name
In	Yes (X,A)	MONTEREY COUNTY
Flood Zone Description:		
Zone A-An area inundated by 100-year flooding		

Earthquake: All properties in California are subject to some degree of seismic risk. The Alquist-Prilo special Studies Zone Act of 1972 was enacted by the State of California to regulate development near active earthquake faults. The Act required the State Geologist

to delineate “special studies zones” along known active faults in California. Cities and Counties affected by the identified zones must limit certain development projects within the zones unless geologic investigation demonstrates that the sites are not threatened by surface displacement from future faulting.

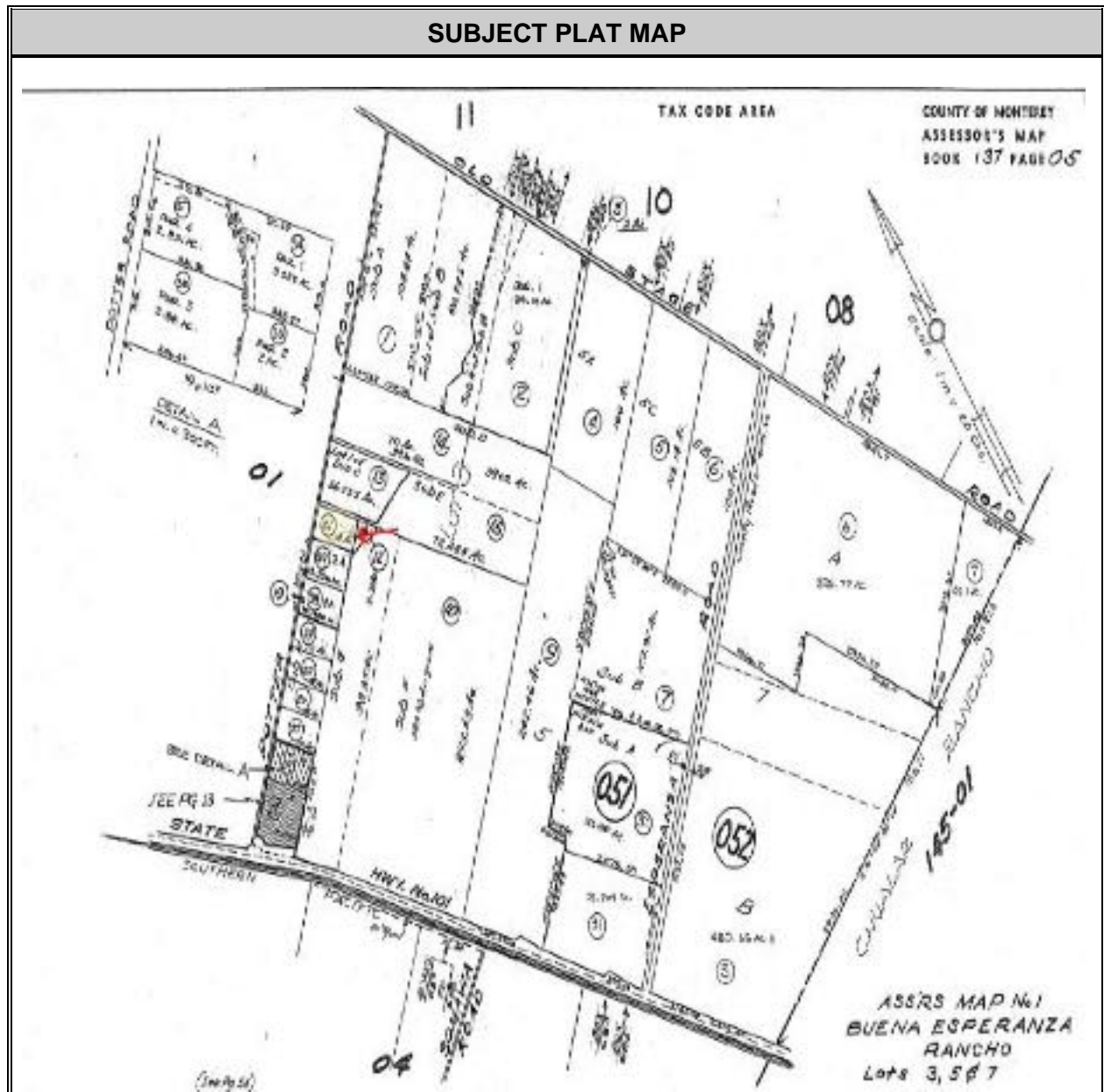
The appraisal company is not qualified to determine if fault lines do or do not affect the property. KWA recommends that the client obtain an engineering study that will identify any deficiencies affecting the subject or surrounding area.



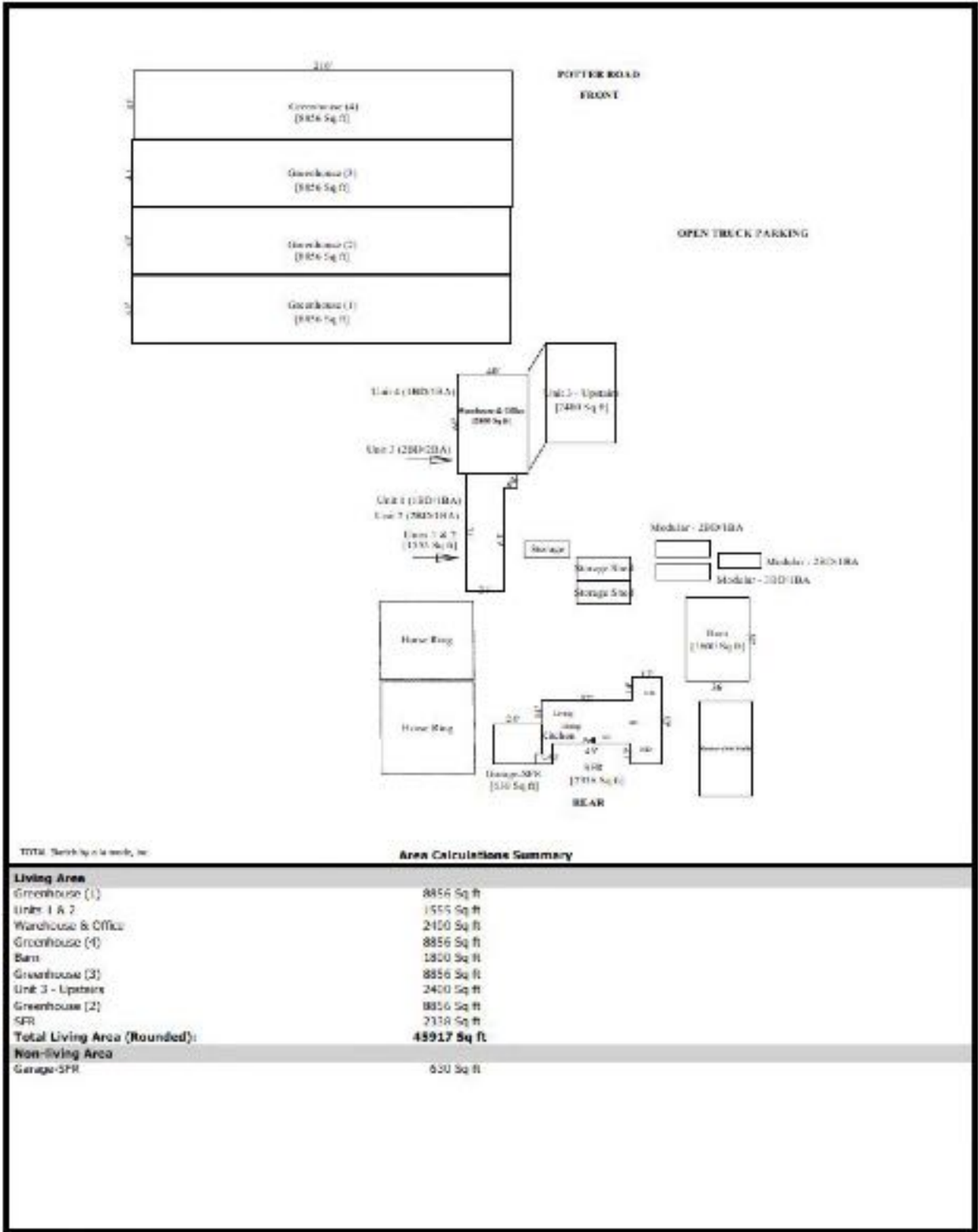
Adjacent Properties

- North: Agricultural
- South: Agricultural
- East: Agricultural
- West: Agricultural

Conclusion: There were no adverse soils conditions noted at the time of inspection of which KWA is aware. The topography is level and poses no specific development limitation. In conclusion, from a physical standpoint, the site is considered adequate for agricultural cultivation and warehouse building development.



SUBJECT SKETCH



IMPROVEMENT ANALYSIS

The subject property is approximately a 10-acre compound/parcel which is located in the Green Zone in the Salinas Valley which would be ideal to an owner or operator in the Greenhouse industry. The subject property is comprised of approximately 45,917+/- square feet of existing greenhouses, warehouse, barn, single-family house and 4-units (total) that are in average condition. One of the four units is configured within the mezzanine of the warehouse and thus we have excluded the square footage associated. In addition, there are two large horse arenas with triple crown fencing, three storage sheds, three modular housing units, removable exterior stalls and the SFR Garage (which have been considered as non-calculated improvements).

The following structures exist on-site currently:

Improvements	SF
Greenhouse (4)	35,424
Warehouse & Office	2,400
SFR (4BD/4BA)	2,338
Barn	1,800
4 Units	3,955
Total	45,917
Non-Calculated Improvements	
Storage Sheds (3)	N/A
Horse Arenas	N/A
Modular Units (3)	N/A
Removable Stalls	N/A
SFR Garage	630

The site also has approximately 4-acres of graded trucking yard which is currently used to store large commercial trucks. There were formerly greenhouse improvements at the truck yard site that were removed, graded and that location is now the current trucking yard parking. The greenhouses were removed are part of the subject’s historical footprint. The greenhouses removed are believed to have been permitted prior to January 1, 2016; which is a unique requirement for cultivation structures under Monterey County’s business cannabis ordinance. Thus, a potential buyer may obtain proper permitting to rebuild the greenhouses as the historical footprint remains. The subject is zoned F40 — Farmlands District.

Permit: #19CP03445
CV TRANSPORTATION INC (Building)
Expired Permit

Application
Dec 11, 2019
Plan Check
Dec 11, 2019
Ready To Issue
Dec 11, 2019
Inspection
Dec 12, 2020

Dec

11

2019

i

Description:
Demolishing of greenhouse 2 & 3. The property is located at 24000 Potter Road Salinas (Assessor's Parcel Number 137-051-021-000)

Project Coordinator:
Lucy Martinez
831-755-5025
MartinezL6@co.monterey.ca.us

Last Updated: Dec 12, 2020

The subject is located on Potter Road in an area that is relatively level and conducive to greenhouse development.

Water – Water is an important feature for agricultural land. For the subject improvements water is shallow with a pre-existing groundwater well which can provide up to 100-gallons per minute. Water quality is reportedly sufficient for the current operation; however, it is noted that the cannabis cultivation industry places importance on water used in cultivation and often has significant water treatment in place so fertigation can be finetuned. The water comes from the East Side Aquifer Subbasin, but the 18'/400' Aquifer Subbasin is located less than 1-mile away (Highway 101 is the approximate delineation point between the two aquifer subbasins).

The subject's utilities are serviced by PG&E, on-site septic system, drilled well and serviceable propane. The subject's utilities are typical.

The following is a description of the improvements based on our physical inspection, onsite measurements and knowledge of construction techniques.

The basic construction features are summarized as follows.

Construction Class

The class of construction is the basic subdivision in Marshall Valuation Service¹, dividing all buildings into five basic groups

¹ The primary feature of Class A buildings is the fireproofed structural steel frame, which may be welded, bolted, or riveted together. The fireproofing may be masonry, poured concrete, plaster, sprayed fiber, or any other type which will give a high fire-resistant rating.

by type of framing (supporting columns and beams), walls, floors, roof structure, and fireproofing. The subject structures are construction Class D Average.

Square Footage

Gross Building Area (SF):

Improvements	SF
Greenhouse (4)	35,424
Warehouse & Office	2,400
SFR (4BD/4BA)	2,338
Barn	1,800
4 Units	3,955
Total	45,917
Non-Calculated Improvements	
Storage Sheds (3)	N/A
Horse Arenas	N/A
Modular Units (3)	N/A
Removable Stalls	N/A
SFR Garage	630

Height 12-16 feet

Exterior Condition Average

Interior Partition System Drywall

Electrical The electrical system is assumed to be in average working order and adequate for the building(s).

The primary characteristic of Class B Buildings is the reinforced concrete frame in which the columns and beams can be either formed or precast concrete. They may be mechanically stressed, and the structure is fire resistant.

Class C Buildings are characterized by masonry or reinforced concrete (including tilt-up) construction. The walls may be load-bearing, i.e., supporting roof and upper floor loads, or nonbearing with open concrete, steel, or wood columns, bents, or arches supporting the load.

Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaced wood or steel studs as in the case of typical frame house, with an exterior covering of wood siding, shingles, stucco, brick, stone veneer, or other materials. Otherwise, they may consist of an open skeleton wood frame on which some form of curtain wall is applied, including, pre-engineered pole buildings.

Class S buildings are characterized by incombustible construction and prefabricated structural members. The exterior walls may be steel studs or an open steel skeleton frame with exterior single or sandwich wall coverings consisting of prefabricated or sheet siding

(Source: Marshall Valuation Service)

<i>Fire Protection</i>	N/A
<i>Plumbing</i>	Available (Sewer Septic)
<i>Parking</i>	According to physical inspection, the subject's parking consists of onsite open parking capacity. For purposes of analysis, the existing parking arrangement/allocation for the subject is more than compliant for industrial/warehouse use. We reserve the right to amend this appraisal shall this not be true as market value may be affected.
<i>Landscaping</i>	The subject has some grass and shrub landscaping and some dirt/gravel hardpan surface.
<i>ADA Compliance</i>	We are not qualified to determine compliance with the requirements. Please refer to the specific limiting condition regarding ADA compliance. However, we did not observe any violation of the Americans with Disability Act.
<i>Environmental Issues</i>	<p>The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the improvements, causing a loss in value.</p> <p>No evidence of hazardous waste or toxic materials were visible. We have no knowledge of the existence of these substances on or in the subject improvements. However, we are not qualified to detect hazardous waste or toxic materials. No Environmental Site Assessment report was provided in conjunction with this appraisal.</p>
<i>Quality/General Condition</i>	<p>The subject property conforms to competitors and substitutes in the area. Relative quality of construction is fair. See other notes in Improvement Description.</p> <p>We are not qualified to determine structural integrity and recommend that the reader rely upon an expert in this field for further determination.</p>
<i>Physical Depreciation/Deferred Maintenance</i>	None noted.
<i>Functional Obsolescence</i>	There are no design deficiencies noted from our inspection.
<i>Economic Obsolescence</i>	Subject is located within a growing commercial/agricultural area and neighborhood. No economic obsolescence is observed.

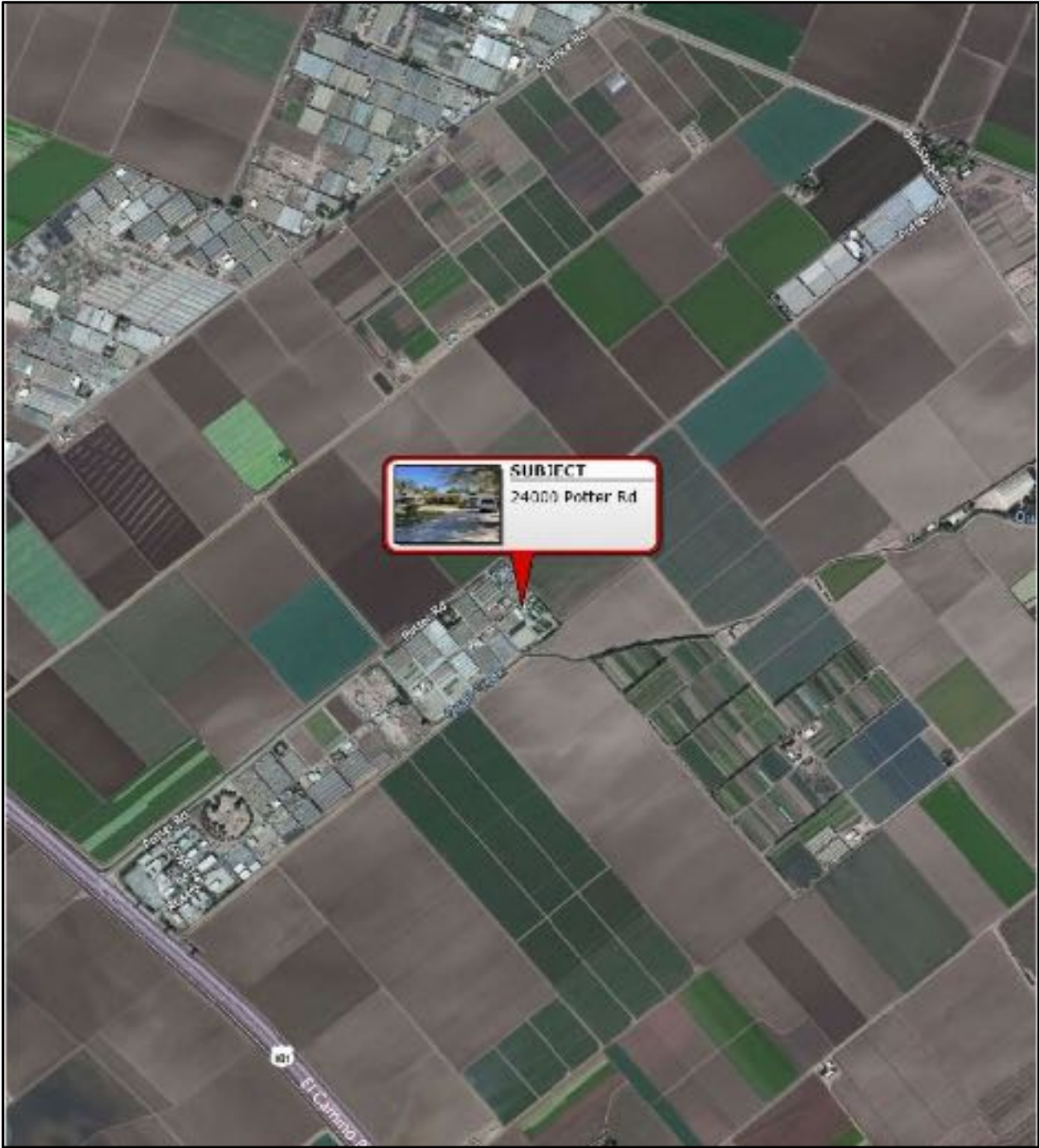
Conclusion/Comments

In terms of its location and future potential, the subject property does meet the demands of the market. The subject property, "As Improved", would require substantial redevelopment in order to suitably compete within the marketplace. The property is considered to be in fair overall condition.

AERIAL VIEW OF THE SUBJECT MAGNIFIED



AERIAL VIEW OF THE SUBJECT ZOOMED OUT



ZONING

The subject’s zoning requirements are detailed below.

ZONING SUMMARY	
Current zoning:	F40 – Farmlands Zoning District
Legally Conforming:	Yes
Uses Permitted:	Uses permitted in the Farmlands zone shall generally be all soil dependent agricultural uses including crop and tree farming, dry land farming, livestock farming, greenhouses and vineyards.
Zoning Change	Not likely
Source: County of Monterey Municipal Zoning Code	
Compiled by: KWA Appraisal	

Zoning Analysis and Conclusions

The subject appears to be a legally conforming use within the current zoning code. The subject’s zoning is F40, Farmlands Zoning Use.

It is noted that Monterey County has also designated a special Medical Marijuana zone which follows along the Route 101 corridor. This ordinance was created to regulate commercial medical cannabis activities in the inland unincorporated area of Monterey County consistent with State law. It allows for the cultivation, manufacturing, testing, and delivery and transport as an allowable use subject to a use permit.

The subject is conforming with regards to its current use and is complying with regard to bulk regulations.

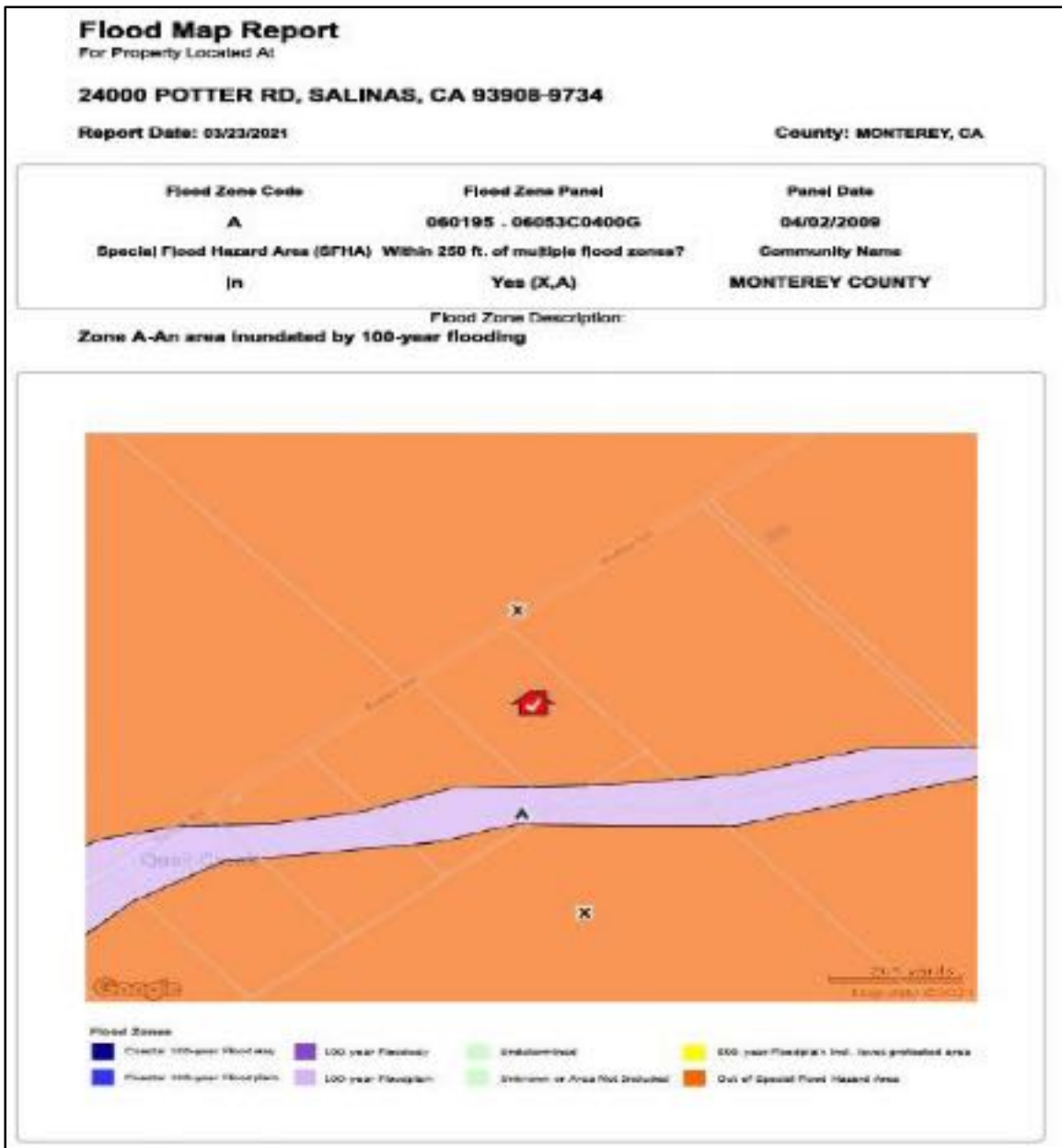
Summary of Use and Bulk Regulations			
	Required	Actual	Status
Current Use:	All agricultural uses, accessory SFH, accessory structures, guesthouses	Agricultural with accessory structures	Conforming
Minimum Lot Size (Greenhouses)	10 acres	10.25 acres	Complying
Maximum Structure Height:	25'	~20'	Complying
Minimum Front Setback	30'	at least 30'	Complying
Minimum Side Setback	20'	at least 20'	Complying
Minimum Rear Setback	20'	at least 20'	Complying
Minimum Distance Btw. Structures	6' / 10'	at least 10'	Complying
Maximum Site Coverage (Greenhouses):	50%	41%	Complying

ZONING MAPS



The subject property is located in Flood Zones "A" and "X" which defines areas both inside and outside the flood zone. The flood zone information is provided by the FEMA Flood Insurance

Rate Map Number 060195-06053C0400G, dated April 2, 2009. The cost to cure for compliance purposes is undetermined. Should the subject proceed with any future redevelopment project for construction of greenhouse improvements it may be possible an elevated building for any greenhouse improvements may be required for flood insurance. It should be noted the "A" Zoning is minimal.



ZONING INFORMATION

F Zoning – Monterey County

21.30.010 - Purpose.

The purpose of this Chapter is to provide a district to preserve and enhance the use of the prime, productive and unique farmlands in the County of Monterey while also providing opportunity to establish necessary support facilities for those agricultural uses.

21.30.060 - Site development standards.

A. Minimum Building Site

The minimum building site is forty acres unless otherwise shown on the Sectional District Map (e.g. "F/160" would mean a minimum building site of 160 acres).

B. Structure Height and Setback Regulations:

The following structure height and setback regulations apply unless superseded by a structure height limit noted on the zoning map (e.g. "F/40 (24)" would mean a structure height limit of 24 feet), setback requirements when combined with a "B" district or setbacks shown on a recorded final or parcel maps, or setback lines on a Sectional District Map.

1. Main Structures

a. Minimum Setbacks

Front: 30 feet
Side: 20 feet
Rear: 20 feet
Maximum Height: 35 feet

2. Accessory Structures (Habitable)

a. Minimum Setbacks

Front: 50 feet
Side: 6 feet
Rear: 6 feet
Maximum Height: 35 feet

3. Accessory Structures (Non-habitable)

a. Minimum Setbacks

Front: 50 feet
Side: 6 feet
Rear: 6 feet
Maximum Height: 35 feet

4. Wells, pumps, pump houses and associated facilities

a. Minimum Setbacks

Front: 5 feet
Side: 5 feet
Rear: 5 feet
Maximum Height: 35 feet

b. Agricultural windmills and wind machines for crop protection are exempt from the height provisions of this Chapter.

C. Minimum Distance Between Structures

Main Structures: 10 feet
Accessory/Main Structure: 6 feet
Accessory/Accessory: 6 feet

D. Building Site Coverage, Maximum: 5%, *except for commercial greenhouse operations, which are permitted a coverage of 50%. Additional coverage for greenhouses may be permitted subject to a Use Permit. All other additions to coverage shall require a Variance.*

USES ALLOWED

A. Except for those uses requiring an Administrative Permit or Use Permit, all soil dependent agricultural uses, including crop and tree farming, dry land farming, livestock farming, greenhouses and vineyards;

B. Single family dwellings accessory to the agricultural use of the property, not exceeding three in total, for an owner, operator or employees employed on-site;

C. All accessory structures such as barns, stables, storage structures, and farm shops;

D. Guesthouses meeting the development standards of Section 21.64.020;

E. Cultivation, cutting or removal of Christmas trees;

F. Temporary residence, pursuant to Section 21.64.070, used as living quarters during the construction of the first dwelling on a lot;

G. Small family day care homes;

H. Licensed residential care homes for aged persons or hospices of not more than six persons including any permitted rooming and boarding;

I. Water system facilities including wells and storage tanks serving four or fewer service connections, pursuant to Title 15.04, Monterey County Code and replacement of water tanks and wells where no increase in service connections is created. Service connections do not include livestock watering facilities;

J. Rooming and boarding of not more than two persons;

K. Hunting and fishing;

L. Reserved;

M. Stands for the sale of agricultural products grown on the premises having no permanent electricity, plumbing or paving;

N. Home occupations, pursuant to Section 21.64.090;

O. The keeping of pets;

P. Other uses of a similar character, density and intensity to those listed in this Section.

Q. Agricultural employee housing consisting of not more than thirty-six (36) beds in a group quarters or twelve (12) units or spaces designed for use by a single family or household.

(Ord. No. 5177, § 35, 5-24-2011)

21.30.040 - Uses allowed—Administrative permit required in each case (Chapter 21.70).

A. Repealed;

B. Small water system facilities including wells and storage tanks of five (5) to fourteen (14) service connections;

C. Stands for the sale of agricultural products grown on the premises having permanent electricity, plumbing or paving where adequate restroom facilities exist on premises, subject to the approval of the Director of Environmental Health;

D. Other uses of a similar character, density and intensity to those listed in this section;

E. Repealed;

F. Reduction in setback requirements for main structures, provided the proposed reduction is ten (10) percent or less of the required setback;

G. Reduction in setback requirements for accessory structures, provided the proposed reduction is eighty (80) percent or less of the proposed setback;

H. Additions to existing approved wireless communications facilities, pursuant to Section 21.64.310.

I. Indoor, mixed-light, or nursery cannabis cultivation pursuant to Chapter 21.67;

J. Non-volatile cannabis manufacturing pursuant to Chapter 21.67.

(Ord. No. 5177, § 36, 5-24-2011; Ord. No. 5306, § 16, 11-6-2018)

21.30.070 - Special regulations.

A. In areas designated as "special treatment" to permit on-site soil dependent agricultural operations such as greenhouses, the *minimum parcel size shall be ten (10) acres*. Subdivision of land in this area shall be approved only under the following conditions:

1. That the residential development rights on lots formed through subdivision approval be dedicated by means of an agricultural conservation easement to the County or a qualified organization such as that specified in Section 501(c)(3) of the Internal Revenue Code;
2. That a drainage management plan to mitigate run-off to adjoining farmlands has been prepared for the entire special treatment area;

TAX AND ASSESSMENT DATA

Real Estate in Monterey County is assessed at 1% of the assessor's estimated market value plus special assessments and bonds if applicable. The subject's market value, assessed value, and current taxes are summarized below.

TBUN2WEB 1.2.005		MONTEREY COUNTY 2020 - 2021 PROPERTY TAX BILL		06/11/2021 4:01:45PM				
MARY A. ZEEB Treasurer-Tax Collector P.O. Box 891, Salinas, CA 93902-0891, (831) 755-5057, www.co.monterey.ca.us/taxcollector								
SECURED TAX ROLL FOR FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021								
PROPERTY INFORMATION			IMPORTANT MESSAGES					
ASMT NUMBER: 137-051-021-000 TAX RATE AREA: 065025 ORIG ASMT: 137-051-021-000 ACRES: 0.00 FEE NUMBER: 137-051-021-000 LOCATION: OWNER JAN. 1st: CV TRANSPORTATION INC CV TRANSPORTATION INC			Original bill date 09/18/2020 Delinquent taxes were redeemed 07/17/2020					
2020-2021								
COUNTY VALUES, EXEMPTIONS, AND TAXES								
PHONE #	DESCRIPTION	PRIOR	CURRENT	BILLED				
VALUATIONS (831) 755-5035	LAND	0	2174436	2174436				
TAX RATES (831) 755-5040		0	0	0				
EXEMPTIONS (831) 755-5035		0	0	0				
PAYMENTS (831) 755-5007	STRUCTURAL IMPROVEMENTS	0	530604	530604				
PERS PROP (831) 755-5035		0	0	0				
ADDR CHGS (831) 755-5035		0	0	0				
GENERAL INQ (831) 755-5057		0	0	0				
		0	0	0				
NET TAXABLE VALUE				2705040				
VALUES X TAX RATE PER \$100 1.000000				\$27,050.40				
VOTER APPROVED TAXES / TAXING AGENCY DIRECT CHARGES & SPECIAL ASSESSMENTS / FEES								
PHONE #	CODE	DESCRIPTION	ASSESSED VALUE	X	TAX RATE / 100	=	TAX AMOUNT	
(831) 879-2504	11600	Charlar Union Facilities Imp 2001 & 2017 Ref AB	2705040		0.033723		\$912.22	
(831) 755-6790	12000	Hartnell 2014 Ref AB 2015Ref AB 2016 AB	2705040		0.042886		\$1,160.08	
PHONE #	DESCRIPTION	DIR CHRG	PHONE #	DESCRIPTION	DIR CHRG	PHONE #	DESCRIPTION	DIR CHRG
(831) 755-4860	MCWRA Zone 2Y	\$34.86	(831) 755-4860	MCWRA Zone 2Z	\$106.34	(831) 755-4860	MCWRA Zone 2C Op	\$120.04
(831) 755-4860	MCWRA Zone 2C Sp/ey	\$21.40	(831) 755-4860	MCWRA Zone 2C Dn	\$50.46	(831) 755-4860	MCWRA Zone 2C Ad	\$15.30
(831) 755-4964	CSA74 EMSAmbCountyW	\$24.00						
							AGENCY TAXES	\$2,072.30
							DIRECT CHARGES	\$372.40
							FEES	\$1.70
							PENALTY & COST	\$2,969.50
AGENCY TAXES + DIRECT CHARGES + FEES + PENALTY + COST + DELINQUENT PENALTIES							TOTAL	\$5,417.80
1st INSTALLMENT \$16,224.00		2nd INSTALLMENT \$16,244.00		TOTAL TAXES				
PAID ON 03/25/2021		DELINQUENT AFTER 04/10/2021		\$32,468.00				

TAX AND ASSESSMENT CONCLUSION

If the subject sold for the value estimate in this report, a reassessment at that value would most likely occur with tax increases limited to 2% annually thereafter until the property is sold again. The consequences of this reassessment have been considered in the appropriate valuation sections. The taxes appear to be paid current.

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. It is recognized that in cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use given the existing improvements (as improved). The existing use will continue, however, until the land value, in its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure.

Implied in the highest and best use is recognition of the contribution of a specific use to the community environment or to the community's development goals, in addition to wealth maximization of individual property owners. Also implied is that the conclusion of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from the analysis represents an opinion, not a fact to be found.

Highest and Best Use analysis involves assessing the subject both as if vacant and as improved.

Legal Permissibility

The legally permissible uses were discussed in detail in the site analysis and zoning sections of this report. Overall, based on our review of the zoning restrictions and or the title restrictions, the site is zoned F40 for Farmlands and Agricultural use.

Physical Possibility

The physical characteristics of the subject site were discussed in detail in the site analysis section of this report. Overall, the layout and topography of the site is considered functional for agricultural/cannabis/commercial use and is reasonable on a comparison basis.

Financial Feasibility

The test of financial feasibility is put only to those uses, which are legally permissible and physically possible. If the property is capable of generating a sufficient net income to cover the required rate of return on investment and provide a return to the land, then the usage is financially feasible within a defined price limit.

Maximum Profitability

The final test of highest and best use of the site as though vacant is that the use is maximally productive, yielding the highest land value. There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than agricultural parcel. Based on the normal market density level/uses permitted by zoning, this is considered the maximally productive use of the site.

Conclusion: Highest and Best Use - "As Though Vacant"

Based on this discussion, it is concluded that the Highest and Best Use of the subject site as vacant would be for an Owner/User or Investor use as agricultural land and/or use as agricultural use.

HIGHEST AND BEST USE AS IMPROVED

Legal Permissibility

The subject is in zone F/40, which permits all agricultural uses, accessory single-family housing, accessory structures, guesthouses as of right now. The subject is a 10.00-acre lot. There are no zoning changes anticipated and no easements or encroachments that preclude development. Overall, it is our opinion that the improvements are within the established guidelines.

Physical Possibility

The physical characteristics of the subject improvements were discussed in detail in the improvement analysis section of this report. Overall, the layout and positioning of the improvements would be considered functional for an owner/user agricultural use and is considered to be reasonable on a comparison basis. While it would be physically possible for a wide variety of uses, based on the legal restrictions, the improvements would be the most functionally utilized for an owner/user agricultural greenhouse use.

Financial Feasibility

As with the highest and best use of the site as though vacant, the financial feasibility of the site as improved is market derived. Typically, for an agricultural cultivation warehouse property similar to the subject, the test of feasibility is based on the amount of rent that can be generated, less operating expenses. If a residual amount exists after paying the various expenses, then the land is being put to a productive use.

Based on the historical status, KWA Appraisal anticipates that the improvements are capable of providing an adequate return on the investment before any debt service requirements. KWA Appraisal therefore concludes that the redevelopment of the subject's greenhouses to maximum approved area would be a financially feasible use of the property.

Maximum Profitability

Similar to the highest and best use of the site as though vacant, the maximum profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. However, the recipient of the property's productivity greatly determines what actual use maximizes profitability.

Conclusion: Highest and Best Use "As Improved"

In conclusion, the subject property is judged to have the greatest appeal to a buyer who is looking to augment their existing local operation with the maximum square footage dedicated to cultivation space and having the ability to process off-site. This buyer would pay a premium relative to a buyer who would redevelop as a stand-alone site that would require dedicating a greater portion of the greenhouse to head house for processing.

It is noted that Monterey County has also designated a special Medical Marijuana zone which follows along the Route 101 corridor. This ordinance was created to regulate commercial medical cannabis activities in the inland unincorporated area of Monterey County consistent with State law. It allows for the cultivation, manufacturing, testing, and delivery and transport as an allowable use subject to a use permit. The subject's use for cannabis cultivation is also legal on the county and state levels.

Thus, the highest and best use as improved is to redevelop the subject's greenhouse(s) (historical footprint) to the maximum approved area so long as a portion or portions of the greenhouses could be dedicated to headhouses which accommodate employees' areas and temporary storage.

Most Probable Buyer – Owner/User or Investor.

APPRAISAL METHODOLOGY

The appraisal process is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Income Capitalization Approach, Sales Comparison Approach, and Cost Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

The final step in the appraisal process is reconciliation -- a process by which KWA APPRAISAL (KWA) analyzes alternative conclusions and selects a final value estimate from among two or more indications of value. KWA APPRAISAL (KWA) weighs the relative significance, applicability and defensibility of each approach as it relates to the type of property being appraised.

The subject was valued "As Is", by gathering sales of competitive buildings within the subject's market area. The Sales Comparison Approach was utilized in valuing the subject property "As Is".

THE COST APPROACH

The Cost Approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

Based on our analysis of the subject area, market participants are generally not buying, selling, investing, or lending with reliance placed on the methodology of the Cost Approach to establish the value. Furthermore, though considered, the Cost Approach is not deemed to render a reliable indication of value due to the imprecise nature of estimating the accrued physical, functional, or external depreciation affecting the improvements. Therefore, for this assignment, the Cost Approach has not been employed to render a value indication for the subject property. The exclusion of this approach is not considered to diminish the reliability of the value conclusion herein and this report is fully conforming to USPAP guidelines.

INCOME CAPITALIZATION APPROACH

The methodology of the Income Capitalization Approach is to determine the income-producing capacity of the property on a stabilized basis by estimating market rent from comparable rentals, making deductions for vacancy and collection losses and building expenses, then capitalizing the net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value.

Related to the direct capitalization method is the discounted cash flow method. In this method of capitalizing future income to a present value, periodic cash flows (which consist of a net income fewer capital costs, per period) and a reversion (if any) are estimated and discounted to a present value. The discount rate is determined by analyzing current investor yield requirements for similar investments.

We have applied a single approach to value, which was the Sales Approach due to the Owner/User aspect of the subject.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences with the final estimate derived based on the general comparisons.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of atypical conditions affecting the sales price. Through our search of the subject market, we were able to uncover an adequate quality and quantity of sales through which a reliable and defensible indication of value could be concluded.

SALES COMPARISON APPROACH

The Sales Comparison Approach provides an estimate of market value based on analyzing transactions of similar properties in the market area. The method is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing one with the same utility. When there are an adequate number of sales of truly similar properties with sufficient information for comparison, a range of values for the subject property can be developed.

There are various units of comparison available in the evaluation of sales data in this approach. The sale price per acre is the most commonly used in this approach.

NOTES FOR REASONABLE COMPARISON

The Comparable Sales were recorded in 2021, 2020, 2019 and 2017 and accurately reflect the current market trends within the subject's immediate and surrounding market areas. Due to a lack of comparables with similar amenity, we expanded our search to include four-years and 10 miles. Comparables utilized were the best available and reflected the property in condition and overall size.

In addition, we have excluded the building area of the subject's greenhouses for comparison and utilized an adjustment factor for this utility as the subject is not actively utilizing the greenhouses for agricultural purposes. Comparable sales were adjusted for parcel size, improvements including single family residential, rentable units, site improvements, amenities, CUPs in place for Cannabis cultivation and location.

Comparable #4 is located within an SFR Land Use area, however it is located within an F40 zone. This is a recent sale which we felt is similar in size, building area, location, land to building ratio and time.

Comparable #5 is a slightly dated sale, however, we have included this sale as it is similar in location, building area, age, single family dwelling and overall similarities.

The table on the following page summarizes the comparable sales used in the analysis with a comparable map located below

SUMMARY OF COMPARABLE SALES											
Sale No.	Location APN	Buyer/ Seller	Sale Date/ Terms	Sale Price	Building Size Land Size Bldg Ratio	Price Per S.F Building Area Acres Price per Acre	Year Built	Zoning	Occupancy Use	Comments	
1	20180 Spence Road Salinas, CA 93908 APN: 137-121-006-000 DOC. # 55866 1.06 miles N Source: Realist, Realquest, Chicago Title Property Profile	Bonfire Brands USA Inc / Monterey Holding Co Inc	11/22/2019 \$2,100,000 from private party	\$5,500,000	6,684 477,418 71.43	\$822.86 10.96 \$501,824	1957	F40	Owner User	The property represents an approximately 6,684 square foot of warehouse buildings on acres (477,418 SF / 10.96-acres). The building was constructed in approximately 1957. There have been no other sales of this property within last three years.	
2	23760 Potter Road Salinas, CA 93908 APN: 137-051-025-000 DOC. # 8062 0.41 miles SW Source: Costar, Realquest, MLS	Joshua Rich / CVS Agribusiness LLC	2/28/2019 \$3,920,000 from private party	\$5,000,000	6,036 433,432 71.81	\$828.36 9.95 \$502,501	1957	F40	Investment or Owner User	The property represents an approximately 3,456 square foot warehouse building and 2,580 square foot single-family on 10-acres (435,600 SF). The buildings were constructed in approximately 1957. There have been no other sales of this property within last three years.	
3	26900 Encinal Road Salinas, CA 93908 APN: 37-061-026-000 DOC. # 2187 2.57 miles E Source: LoopNet, Public Record, Realquest	Jmahd Ventures LLC / Sur Farms LLC	1/4/2021 \$2,000,000 from private party	\$10,250,000	6,500 435,600 67.02	\$1,576.92 10.00 \$1,025,000	1973	F40	Investment or Owner User	This property is a 6,500 square foot cultivation and warehouse property. The property also has a small single family dwelling on the premises and multiple greenhouse structures in place. No conditions of sale were reported. There have been no other sales of this property within the last three years.	
4	1085 Old Stage Road Salinas, CA 93908 APN: 153-022-006-000 DOC. # N/A 4.70 miles N Source: MLS, Realquest	Thomas R Adcock / Luker Curtis Family Trust	8/19/2020 Cash	\$1,350,000	4,505 219,542 48.73	\$299.67 5.04 \$267,858	1979	F40	Investment or Owner User	This property is comprised of three dwellings (single-family home, shop and two modular units) for a 4,505± square foot total. This is a 5.04± acre site. The site is not permitted for cannabis and does not have greenhouses. There have been no sales of this property within the last three years.	
5	2346 Alisal Road Salinas, CA 93908 APN: 137-141-007-000 DOC. # 72040 2.08 miles NW Source: Costar, Realquest	Kind Real Estate LLC / Alvarez Brothers LLC	12/21/2017 Cash	\$9,500,000	6,000 521,457 86.91	\$1,583.33 11.97 \$793,584	1987	F40	Investment or Owner User	The property is a 6,000 square foot single-tenant cultivation and warehouse property. The property also has a single family dwelling on the premises and multiple lightweight greenhouse structures in place. There have been no sales of this property within the last three years.	
5	24999 Potter Road Salinas, CA 93908 APN: 137-012-004-000 DOC. # N/A 0.92 miles NE Source: Costar, Realquest, MLS, Broker- Susan Massa/Thomas	N/A / Michael Y and Tomi Matsuno	Listing Listing	\$20,000,000	13,500 696,000 51.56	\$1,481.48 15.98 \$1,251,724	1977	F40	Investment or Owner User	The property is a 13,500 square foot single-tenant cultivation and warehouse property. This property is not currently used for cannabis cultivation, but has greenhouses in place. There have been no sales of this property within the last three years.	

Compiled by: KWA Appraisal



PRICE PER SQUARE FOOT ANALYSIS

The selected comparables represent commercial land parcels that range in size from 219,542 SF (5.04 AC) to 696,000 SF (15.98 AC). The recorded closed comparable sales unadjusted range of \$267,858 to \$1,025,000 with one listing at \$1,251,724 (per acre).

The following paragraphs discuss the analysis of the sales and the basis for adjustment.

Two of the comparables were sold in 2019, one sold in 2020, one in 2021 and one was sold in 2017. The following paragraphs discuss the analysis of the sales and the basis for adjustment.

Sale Number One

This comparable is located 1.06 miles north at 20180 Spence Road in Salinas. This deal was privately negotiated between buyer and seller; no brokers were involved. The water source is an onsite private agricultural well. The improvements are comprised of an approximate 5,256± square foot and 1,428± square foot warehouse buildings for a total of 6,684± square foot. There is also approximately 300,000± square feet of greenhouse space with 60,000± square feet of

actively cultivating cannabis and a 2,000± square foot building licensed for distribution. However, the existing structures have deferred maintenance. The property represents a 10.96-acre (477,418± SF) commercial zoned land parcel (zoned F40). The site was sold for \$5,500,000 or \$501,824 per acre, which was confirmed by Realquest. This was an off-market sale (no listing was found). There have been no other sales of this property within the last three years.

Downward adjustments were applied for property rights (no broker deal), CUPs in place and site improvements (Greenhouses), land to building ratio with upward adjustments for deferred maintenance at time of sale, age and site improvements (SFR/units).



Sale Number Two

This comparable is located 0.41 miles southwest at 23760 Potter Road in Salinas. The improvements are comprised of an approximate 3,456± square foot warehouse building and 2,580± square foot single family dwelling for a total of 6,036± square foot. There are also approximately 13 greenhouses and the land is permitted to build more. This site is fully licensed for cannabis and has a working well with a 15 HP pump. It was openly-marketed by Realty Concepts. This property has a positive condition of sale adjustment due to the owner deciding to take a substantial down payment and carry the remainder at which is judged to be a reasonable market rate for cannabis loans after the property had fallen out of escrow twice and was motivated to sell the property, dropping the price \$1,000,000 over the listing period. The listing agent noted they had it in escrow at \$5,500,000 and again at \$5,000,000, and in both cases, there were multiple offers, but buyers could not secure the funding. The Broker felt if they held out longer, they could have sold at the original asking price of \$5,500,000. The property represents a 10.00-acre (435,600± SF) commercial zoned land parcel (zoned F40). The transaction price on public record is \$4,500,000, but the broker confirmed the sale price was \$5,000,000. The site was sold for \$5,000,000 or \$502,501 per acre, which was confirmed by

Realquest, MLS, the Broker, and CoStar. There have been no other sales of this property within the last three years.

Upward adjustment for deferred maintenance at time of sale, age and site improvements (SFR/units) with downward adjustments for CUPs, site improvements (Greenhouses) and land to building ratio.



Sale Number Three

This comparable is located 2.57 miles east at 26900 Encinal Road in Salinas. The site includes an approximate 5,000± square foot processing facility, 1,500± square foot propagation room and multiple greenhouses (10,000± square foot) and is fully licensed. At the time of sale there was only 5 acres of greenhouse allowed and 1 building permit for 1-acre greenhouse ready. The site has a shared well which limits its water supply (vs. the subject) and has 5 cannabis licenses. It has 400 Amp electrical. The site also has a single-family house. The property represents a 10.00-acre (435,600± SF). Per public record the site was sold on January 12, 2021 for \$6,800,000, however the broker confirmed the actual sale price was \$10,250,000 or \$1,025,000 per acre, which was confirmed by Broker, Susan Massa-Thomas, Realquest and LoopNet. There have been no other sales of this property within the last three years.

Downward adjustments were applied for inferior number of CUPs in place for marijuana cultivation business and land to building ratio. Upward adjustment was made for site improvements (SFR/Units).



Sale Number Four

This comparable is located 4.70 miles north at 1085 Old Stage Road in Salinas. According to the Listing Broker, the improvements are comprised of three dwellings (single-family home, shop and two modular units) for a 4,505± square foot total. The site was sold as-is and no deferred maintenance was noted. This is a 5.04± acre site. The site is located within an SFR Land Use area; however, it is located within an F40 zone. The site is not permitted for cannabis and does not have greenhouses. There site was fenced for horses and has a security gated entry. There is a detached three-car garage with shop. The site has an in-ground pool. Per public record the site was sold on August 19, 2020 for \$1,350,000 or \$267,858 per acre, which was confirmed by MLS (#ML81799155) and Realquest. The Listing Broker showed as dual agency on the deal, Donna Ingraham of Century 21. There have been no other sales of this property within the last three years.

Downward adjustment overall size (economies of scale) with upward adjustments required for site improvements (both Greenhouses and SFR/Units) and for zoning.



Sale Number Five

This comparable is located 2.08 miles northwest at 2346 Alisal Road in Salinas. The improvements are comprised of a 6,000± square foot single tenant cultivation and warehouse property. The property also has a single-family dwelling on the premises and multiple lightweight greenhouse structures in place. The property represents a 11.97-acre (521,457± SF) commercial zoned land parcel (zoned F40). The site was sold on December 21, 2017 for \$9,500,000 or \$1,583.33 per square foot of building area, which was confirmed by Realquest and LoopNet. There have been no other sales of this property within the last three years.

Upward adjustments for time of sale with regards to market conditions and downward adjustment for CUP licensing in place, site improvements (Greenhouses) and land to building ratio.

**Sale Number Six**

This comparable is located 0.92 miles northeast at 24999 Potter Road in Salinas. The improvements are comprised of a 13,500± square foot single tenant processing building and approximately 425,000± square feet of greenhouses. The property is not cannabis licensed and not currently used for cannabis cultivation, but had greenhouses in place. The property represents a 16-acre (696,690± SF) commercial zoned land parcel (zoned F40). The site is a current listing for \$20,000,000 or \$1,250,000 per acre, which was confirmed by Realquest and LoopNet. There have been no other sales of this property within the last three years.

Downward adjustment for listing status (time) and site improvements (Greenhouses) with upward adjustment for site improvements (SFR/Units).



Summary of Adjustments

Adjustments made to the comparables are summarized in the following grid below:

BUILDING SALES ADJUSTMENT GRID PER SQUARE FOOT ANALYSIS							
BLDG SALE #	SUBJECT	1	2	3	4	5	6
Address	24000 Potter Road	20180 Spence Road	23760 Potter Road	26900 Encinal Road	1085 Old Stage Road	2346 Alisal Road	24999 Potter Road
City	Salinas, CA	Salinas, CA 93908	Salinas, CA 93908	Salinas, CA 93908	Salinas, CA 93908	Salinas, CA 93908	Salinas, CA 93908
Sale Date	-	Nov-19	Feb-19	Jan-21	Aug-20	Dec-17	<i>Listing</i>
Building Area	10,493	6,684	6,036	6,500	4,505	6,000	13,500
Acres	10.00	10.96	9.95	10.00	15.98	11.97	10.00
Land Area	435,600	477,418	433,432	435,600	219,542	521,457	696,000
Land to Building Ratio	41.51	71.43	71.81	67.02	48.73	86.91	51.56
Built/Renovated	1988	1957	1957	1973	1979	1987	1977
Zoning	F40	F40	F40	F40	F40	F40	F40
Condition	Average	Average-	Average	Average	Average	Above Average	Above Average
Type/Use	Greenhouse/Agriculture	Greenhouse/Ag	Greenhouse/Ag	Greenhouse/Ag	Agriculture	Greenhouse/Ag	Greenhouse/Ag
Price Per Acre		\$501,824	\$502,501	\$1,025,000	\$267,858	\$793,584	\$1,251,724
Sale Price	-	\$5,500,000	\$5,000,000	\$10,250,000	\$1,350,000	\$9,500,000	\$20,000,000
Unadjusted Unit Value		\$501,824	\$502,501	\$1,025,000	\$267,858	\$793,584	\$1,251,724
Property Rights Conveyed		<u>-5.0%</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Sub-Total		\$501,824	\$502,501	\$1,025,000	\$267,858	\$793,584	\$1,251,724
Financing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Condition of Sale/Deferred Maintenance		15.0%	15.0%	0.0%	0.0%	0.0%	0.0%
<i>CUP for Marijuana</i>							
<i>Cultivation/Licensing</i>		<u>-15.0%</u>	<u>-15.0%</u>	<u>-15.0%</u>	<u>0.0%</u>	<u>-15.0%</u>	<u>0.0%</u>
Sub-Total		\$501,824	\$502,501	\$871,250	\$267,858	\$674,546	\$1,251,724
Time		<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>30.0%</u>	<u>-10.0%</u>
Sub-Total		\$501,824	\$502,501	\$871,250	\$267,858	\$876,910	\$1,126,552
Physical							
Size		0.0%	0.0%	0.0%	-5.0%	0.0%	0.0%
Age/Condition		10.0%	10.0%	0.0%	0.0%	0.0%	0.0%
Quality of Improvements		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site Improvements (Greenhouses/Storage)		-15.0%	-15.0%	0.0%	25.0%	-15.0%	-15.0%
Site Improvements (SFR/Units)		20.0%	10.0%	10.0%	10.0%	0.0%	20.0%
Zoning/Density		0.0%	0.0%	0.0%	20.0%	0.0%	0.0%
Land to Building Ratio		-10.0%	-10.0%	-5.0%	0.0%	-10.0%	0.0%
Location/Visibility		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utility/Water Source		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total % Adjustments		5.0%	-5.0%	5.0%	50.0%	-25.0%	5.0%
ADJUSTED VALUE		\$526,916	\$477,376	\$914,813	\$401,786	\$657,683	\$1,182,879

Sale Price Per Unit Conclusion

The preceding comparable sales represent the most recent sales activity of the most similar office buildings within the area. Most of the variance in the price per acre among the comparable sales was attributed to age/condition, quality of improvements, site improvements, land to building ratio, CUPs in place for Marijuana cultivation facility and site improvements.

The comparable sales indicate an unadjusted price per acre range from \$267,858 to \$1,025,000/acre with an average of \$723,749 per acre with a listing of \$1,251,724. After taking into account various adjustments, the comparable sales indicate an adjusted range from \$401,786 to \$914,813 per acre with an average price per acre foot of \$595,715 per acre with a listing at \$1,182,879.

The appraiser has placed primary weight upon the Comparable Sales No. #1 (\$526,916/acre), Comparable Sale #2 (\$477,376/acre) and #3 (\$914,813/acre) which have the least adjustments and are the most current sales. The average of the three comparables weighted (Comparable #1, #2 and #3) is \$639,701. We have concluded a value reflected in all sales given the subject's quality of improvements, size, location (within the Green Zone), site improvements, historical footprint and amenity.

Based on this analysis and conversations with local market participants, we have estimated a value of **\$640,000** per acre as reasonable for the subject property, taken into consideration the subject's condition, build-out and location. Our concluded value per acre is within the adjusted range of the comparable sales and is supported by the market.

SALES COMPARISON APPROACH CONCLUSION

The following table summarizes the value indications based on the Sales Comparison Approach.

SALES COMPARISON APPROACH					
Indicated Value/Acre Range			Subject SF		Total
\$640,000	x		10.00	=	\$6,400,000
			Rounded		\$6,400,000
Source: KWA Appraisal					

RECONCILIATION OF VALUE

KWA APPRAISAL (KWA) was instructed to estimate the market value of the Fee Simple interest in the subject property (“As Is”).

The value conclusion for each applicable approach is summarized below.

SUMMARY OF VALUE CONCLUSIONS	
Income Capitalization Approach	Not Developed
Sales Comparison Approach	\$6,400,000
Cost Approach	Not Developed
Source: KWA Appraisal	

The Sales Comparison Approach is predicated on the principle that an Owner User would pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. The data developed was considered sufficiently reliable to reach a value conclusion by the Sales Comparison Approach. The most probable buyer for the subject property is an owner-user due to its size, location and configuration. Therefore, this method was given primary consideration in the reconciliation.

The final value conclusion and the approaches relied upon give strong consideration to the market behavior of the typical buyer and current market environment for the property appraised.

Based on the foregoing analysis, it is concluded that the “As Is” market value of the Fee Simple interest in the subject property as of May 28, 2021 is:

SIX MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$6,400,000)

A D D E N D U M

**PHOTOGRAPHS OF SUBJECT PROPERTY
REGIONAL & NEIGHBORHOOD MAP**



VIEW OF SUBJECT (AERIAL)



SFR FRONT EXTERIOR



TRUCKING YARD & ENTRY TO SITE



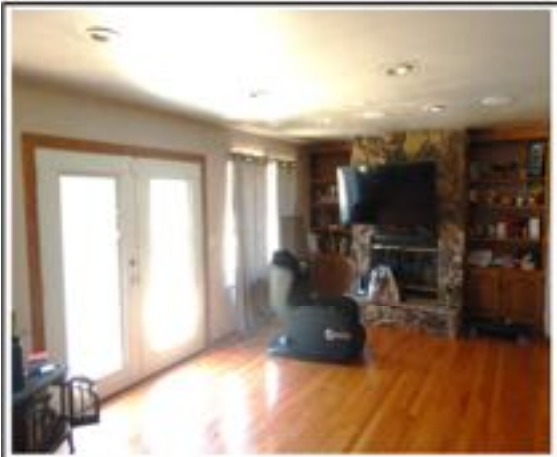
SFR REAR EXTERIOR



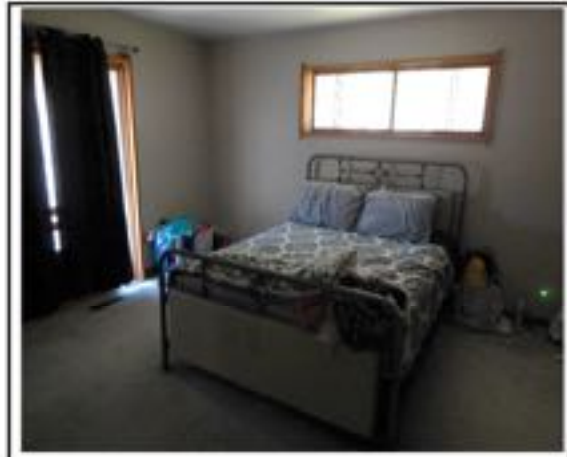
SUBJECT VIEW - POTTER ROAD (ENTRY)



SFR KITCHEN



SFR LIVING ROOM



SFR BEDROOM



SFR LAUNDRY



SUBJECT'S LIVING UNITS



SFR BATHROOM



SUBJECT WAREHOUSE AND UNITS



TYPICAL INTERIOR (UNITS)



TYPICAL INTERIOR (UNITS)



TYPICAL INTERIOR (UNITS)



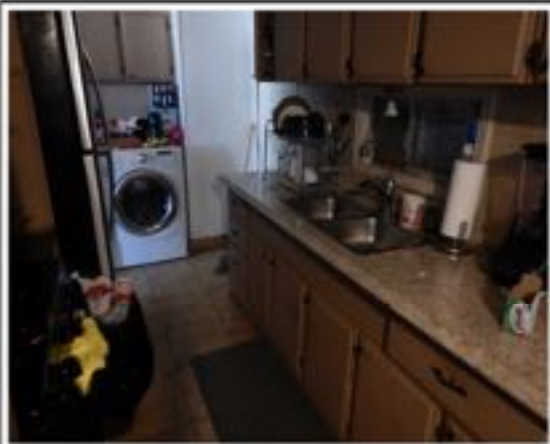
MODULAR UNIT



TYPICAL INTERIOR (UNITS)



MODULAR UNIT



INTERIOR MODULAR UNIT



STORAGE



INTERIOR MODULAR UNIT



HORSE ARENA



STORAGE



VIEW - HOUSE & BARN



ELECTRICAL



HORSE ARENA



EXTERIOR STORAGE



BARN EXTERIOR



STORAGE (INTERIOR)



BARN INTERIOR



REMOVABLE STABLES



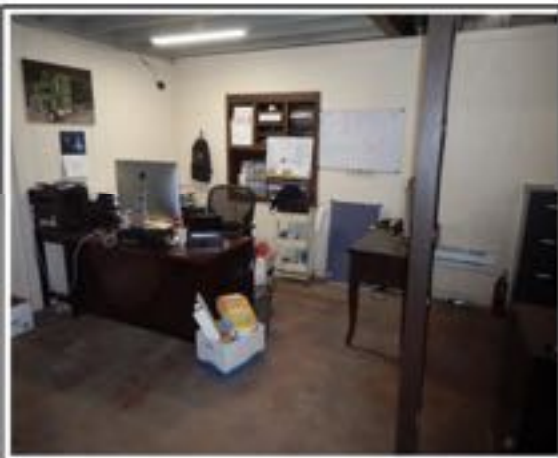
WAREHOUSE INTERIOR



WAREHOUSE EXTERIOR



GREENHOUSE EXTERIOR



WAREHOUSE OFFICE



GREENHOUSE EXTERIOR



GREENHOUSE INTERIOR



TRUCK PARKING



GREENHOUSE INTERIOR



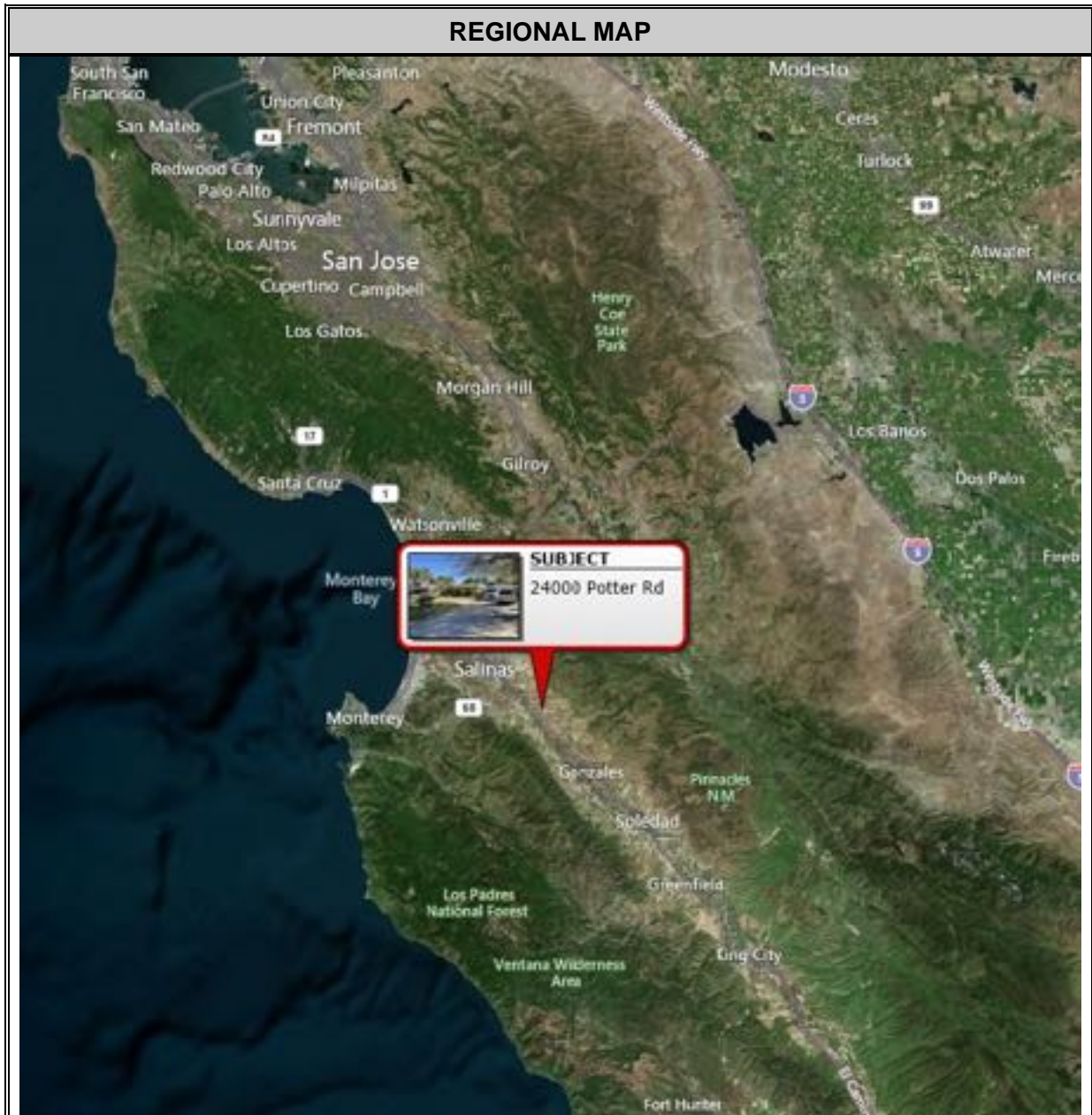
HORSE ARENA(S)



TRUCK PARKING



VIEW SUBJ - FRONT GATE



NEIGHBORHOOD MAP



**(CANNABIS) ZONING
AND FLOOD ZONE DESIGNATIONS**

Chapter 21.67 - COMMERCIAL CANNABIS ACTIVITIES (5306, § 18, 11-6-2018)**21.67.020 - Purpose.**

The purpose of this Chapter is to protect the public health, safety, and welfare, enact strong and effective regulatory and enforcement controls in compliance with state law and federal enforcement guidelines, protect neighborhood character, and minimize potential for negative impacts on people, communities, and the environment in the unincorporated areas of Monterey County by establishing minimum land use requirements for commercial cannabis activities. Commercial cannabis activity, as defined pursuant to Section 21.06.152 of Title 21, includes the cultivation, possession, manufacture, processing, storing, laboratory testing, packaging, labeling, transporting, distribution, or sale of cannabis or a cannabis product. Although cultivation of cannabis is not "development" within the meaning of the 2010 General Plan, this Chapter recognizes that commercial cannabis activities require land use controls due to the unique federal and state legal constraints on commercial cannabis activity, and the potential environmental and social impacts associated with commercial cannabis activity.

(Ord. No. 5292, § 16, 12-5-2017)

21.67.030 - Permits required.

Except as provided in Section 21.67.050 of this Chapter, commercial cannabis activities shall not be allowed in the unincorporated areas of Monterey County without first securing all permits, licenses, or other entitlements required by County regulation and state law and regulation.

- A. An administrative permit shall be required for all commercial cannabis activities. The application for an administrative permit, and for amendments thereto and extensions thereof, shall be processed in accordance with Chapter 21.70 of the Monterey County Code. The Chief of Planning is the Appropriate Authority to consider an administrative permit for commercial cannabis activities and to consider extensions of and amendments to such permits unless the matter is referred to public hearing under Section 21.70.060 of this Chapter. Appeals from the decision of the Chief of Planning shall be governed by Chapter 21.80 of the Monterey County Code. Notwithstanding the foregoing, the procedures for suspension and revocation of an administrative permit granted under this Chapter shall be as set forth in Sections 21.67.110 and 21.67.120 of this Chapter.
- B. In addition to an administrative permit, a commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code shall be required for all commercial cannabis activities.
- C. Upon implementation of state regulations pursuant to California Business and Professions Code Section 26012, a valid license from the state shall be required to operate any commercial cannabis activity.

- D. The owner shall post or cause to be posted on site the administrative permit and all required County and state permits and licenses to operate. Such posting shall be in a central location, visible to the patrons, at the operating site, and in all vehicles that deliver or transport cannabis or cannabis products.
- E. The owner and all permittees shall maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from and are provided to other permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request.
- F. The owner and all permittees shall conduct commercial cannabis activities in compliance with all required County permits, state licenses, County regulation, and state law and regulation. The owner shall be responsible for the payment of all required inspection fees, permit fees, and taxes.
- G. Commercial medical cannabis activities that were legally established prior to the effective date of Ordinance No. 5270 enacting this Chapter (August 12, 2016) had one year from the effective date of the ordinance to obtain all required County permits, licenses, and entitlements, or to terminate their operations.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5306, §§ 19–21, 11-6-2018)

21.67.040 - Regulations for cannabis retailers.

- A. **Applicability.** The provisions of this Section are applicable in Light Commercial (LC), Heavy Commercial (HC), and Mixed Use (MU) zoning districts. Cannabis retailers shall not be allowed in any other zoning district.
- B. **Regulations.** Cannabis retailers shall meet the following minimum requirements:
 - 1. Retail facilities shall be located only in zoning districts that specifically provide for this use.
 - 2. Retail facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 - 3. Retail facilities shall not be located within one thousand five hundred (1,500) feet of another approved retail facility, except when a retail facility demonstrates to the satisfaction of the Appropriate Authority that special circumstances exist.
 - a. Special circumstances require a proposed retail facility to provide proof based on substantial evidence of the following:
 - i. The proposed retail facility is located within a Community Area, Rural Center, or Large Shopping Center; and
 - ii. The proposed retail facility would result in no more than three (3) retail facilities in the designated Community Area, or result in no more than two (2) retail facilities in the Rural Center or Large Shopping Center.
 - b. A use permit pursuant to Chapter 21.76 of this Title shall be required for a proposed retail facility that does not comply with the one thousand five hundred (1,500) foot setback from another approved retail facility, and when the Appropriate Authority determines that special circumstances are inapplicable to a proposed retail facility as described in this Subsection. The Planning Commission is the Appropriate Authority to consider said permit. Appeals from the decision of the Planning Commission shall be governed by Chapter 21.80 of the Monterey County Code. In reviewing the use permit, the Appropriate Authority shall consider the location of the proposed retailer, density of retailers in the vicinity, specific characteristics of the site, and any other relevant factors. The use permit shall be subject to all of the other requirements and findings for a cannabis retailer under section 21.67.
 - c. In circumstances where a retail facility is proposed within one thousand five hundred (1,500) feet of another proposed retail facility, the one thousand five hundred (1,500) foot setback is established upon the granting of an entitlement by the Appropriate Authority. In these circumstances, entitlements for commercial cannabis retailers shall be considered in the order the application for the entitlement is deemed complete.
 - 4. Retailers shall keep accurate records of all business operations and provide such records for inspection consistent with Section 26160 of the California Business and Professions Code.
 - 5. Retailers shall implement and maintain sufficient security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products in compliance with Section 26070 of the California Business and Professions Code and any rules promulgated by the licensing authority. Security measures shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the retailer if they are not engaging in activity expressly related to the

- operations of the retailer;
- b. Establish limited access areas accessible only to authorized dispensary personnel;
 - c. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis and cannabis products used for display purposes, samples or immediate sale;
 - d. Install security cameras on site; and
 - e. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. Onsite security shall not carry firearms or other lethal weapons.
6. If the retailer's operations are proposed to include delivery, all employees of a retailer delivering cannabis or cannabis products shall carry a copy of the documentation listed below when making deliveries. This information shall be provided upon request to law enforcement officers and to employees of state and local agencies enforcing this Chapter.
 - a. A copy of the retailer's current permits, licenses, and entitlements authorizing them to provide delivery services;
 - b. The employee's government-issued identification;
 - c. A copy of the delivery request; and
 - d. Chain of custody records for all goods being delivered.
 7. Retailers shall ensure that all cannabis and cannabis products at the dispensary are cultivated, manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations.
 8. Retailers shall not distribute any cannabis or cannabis product unless the cannabis and cannabis products are labeled and in a tamper-evident package in compliance with Section 26120 of the California Business and Professions Code and any additional rules promulgated by the licensing authority.
 9. Retailers shall notify the Monterey County Sheriff's Office and the licensing authority within twenty-four (24) hours after discovering any of the following:
 - a. Significant discrepancies identified during inventory;
 - b. Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the retailer;
 - c. The loss or unauthorized alteration of records related to cannabis, patients, or retailer's employees or agents; or
 - d. Any other breach of security.
 10. Possession or delivery of any other form of illegal drugs without proper legal authorization shall be grounds for revocation of permits.
- C. Required Findings. An administrative permit for a cannabis retailer shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The retailer, as proposed, has demonstrated that it can and will comply with all of the requirements of the state and County to operate a cannabis retail facility.
 2. The retail facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority, and the retail facility will not be located within one thousand five hundred (1,500) feet of another retail facility.
 3. The retailer, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. The retailer includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from off site, minimizing the effects of loitering, providing adequate security measures, and not exceeding the permit's limits on hours of operation.
 5. The retailer will provide adequate measures that address the federal enforcement priorities for cannabis activities including providing for restrictions on drugged driving, restricting access to minors, prohibiting use of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are supplied from permitted and licensed sources.
- D. In addition to any other required conditions and mitigation measures approved by the Appropriate Authority, all of the following conditions shall apply to all permits for a cannabis retailer:
1. The cannabis retailer shall allow access to its facilities and records if requested by the County, its officers, or agents, and shall

pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.

2. The applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
3. The applicant for the retail facility and property owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
4. Any person operating a cannabis retail facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative or a use permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
6. The retailer shall operate only in accordance with the operating plans reviewed and approved by the County. The County shall limit the hours of operation for a retail facility to begin no earlier than eight a.m. and to end no later than eight p.m.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5300, §§ 2, 3, 3-20-2018; Ord. No. 5306, §§ 22--26, 11-6-2018; Ord. No. 5334, § 5, 7-7-2020)

21.67.050 - Regulations for cannabis cultivation.

- A. Applicability. Except as provided in Section 21.67.090 of this Chapter, cannabis cultivation may only be permitted in the Light Industrial (LI), Heavy Industrial (HI), Agricultural Industrial (AI), or Farmland (F) zoning districts with an administrative permit in each case and as may be further restricted by this Section. Outdoor cannabis cultivation is prohibited in all zones within the unincorporated areas of Monterey County except as provided in Section 21.67.090 of this Chapter. The table below summarizes the zoning districts where cultivation may be considered with an administrative permit.

	Type 1A	Type 1B	Type 1C*	Type 2A	Type 2B	Type 3A	Type 3B	Type 4
LI	AP	AP	AP	AP	AP			
HI	AP	AP	AP	AP	AP	AP	AP	AP
AI	AP	AP	AP	AP	AP	AP	AP	AP
F	AP	AP	AP	AP	AP	AP	AP	AP

AP = Administrative permit pursuant to Chapter 21.70

- * For Type 1C "Specialty cottage" only mixed-light and indoor cultivation are permitted. "Specialty cottage" outdoor cultivation is prohibited in Monterey County.

- B. Regulations. Cannabis cultivation shall comply with all of the following regulations:
1. It is the intent of the County to provide for the adaptive reuse of greenhouses in Monterey County and to restrict the proliferation of greenhouses or other structures on productive agricultural lands. To this end, within the Farmland (F) zoning district, indoor and mixed-light cannabis cultivation and cannabis nurseries (Type 1A, 1B, 1C, 2A, 2B, 3A, 3B and 4 state license types) may be permitted with an administrative permit in each case provided that within the Farmland (F) zoning district, the cultivation occurs only within a greenhouse or industrial building that was permitted or legally established prior to January 1, 2016. Greenhouses and industrial buildings may be improved for cannabis activities after January 1, 2016 provided that the footprint of the existing greenhouse(s) or industrial buildings does not change.

2. Within the Light Industrial (LI), Heavy Industrial (HI), and Agricultural Industrial (AI) zoning districts, indoor or mixed-light cannabis or cannabis nurseries (Type 1A, 1B, 1C, 2A, 2B, 3A, 3B, or 4 state license types) may be permitted subject to an administrative permit case, except that Type 3A, 3B and 4 cultivation types shall not be permitted in the Light Industrial (LI) zoning district, and provided that cultivation occurs only within a greenhouse or industrial building that was permitted or legally established prior to January 1, 2016. Other permit requirements of this Title, greenhouses and industrial buildings may be improved for cannabis activities after January provided that the footprint of the existing greenhouse(s) or industrial building(s) does not change.
 3. In no case shall a building intended for residential use be used for the cultivation of cannabis.
 4. Cannabis cultivation shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 5. Until a track and trace program for the identification of permitted cannabis plants at a cultivation site is created by the California Department of Food and Agriculture, cultivators shall implement a County approved unique identification protocol. Unique identifiers shall be attached at the base of each plant and shall be traceable through the supply chain back to the cultivation site. Once a state program has been established, all cultivation activities permitted under this Chapter shall comply with the state requirements for unique identifiers and the trace and track program.
 6. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. If on-site security is utilized, such on-site security shall not use or possess firearms or other lethal weapons.
 7. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.
 8. Water conservation measures, water capture systems, or grey water systems shall be incorporated in cannabis cultivation operations in order to minimize use of water where feasible.
 9. Onsite renewable energy generation shall be required for all indoor (cultivation activities using artificial lighting only including Type 1A, 1C, 2A, 3A and 4 state license types) cannabis cultivation activities. Renewable energy systems shall be designed to have a generation potential equal to or greater than one-half of the anticipated energy demand.
 10. Cannabis plants shall not be visible from off site. No visual markers indicating that cannabis is cultivated on the site shall be visible from off site.
 11. The owner shall ensure that the total canopy size of cannabis cultivated at the site does not exceed the cumulative canopy size authorized by state law or regulation. The owner and its licensees and permittees, operating on a site permitted pursuant to this Chapter, and with a commercial cannabis permit required pursuant to Chapter 7.30 of the Monterey County Code, shall ensure that the total canopy size of cannabis cultivation does not individually exceed the amounts authorized by County permits and state law.
 12. Unless restricted under the terms or conditions of an administrative permit, permittees who hold an administrative permit for cannabis cultivation or nursery operations may transport their own cannabis grown on site to another permitted and licensed cannabis business at an off-site facility provided the cultivation or nursery permittee hold a Type 11 state license or other applicable state license that allows for the transportation of cannabis. A separate administrative permit under this Section shall not be required for permittees that transport their own cannabis grown on site to another permitted and licensed cannabis business at an off-site facility. Failure to adhere to County or state laws and regulations for cannabis transportation may be grounds for suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
- C. Required Findings. An administrative permit for cannabis cultivation shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The cultivation, as proposed, will comply with all of the requirements of the state and County for the cultivation of cannabis.
 2. The cultivation will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
 3. The cultivation, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. The cultivation includes adequate measures that minimize use of water for cannabis cultivation at the site.

5. The cultivation includes adequate measures to address the projected energy demand for cannabis cultivation at the site.
 6. The cultivation includes adequate quality control measures to ensure cannabis cultivated at the site meets industry standards.
 7. The cultivation includes adequate measures that address the federal enforcement priorities for cannabis activities including restricting access to minors, prohibiting use of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are not supplied to unlicensed and unpermitted persons within the state and not distributed out of state.
- D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for cannabis cultivation:
1. The owner and permittees shall allow access to cultivation sites and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
 3. The applicant for the cultivation and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 4. Any person cultivating cannabis shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
 5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
 6. The cultivation activities shall be maintained in accordance with the operating plans as approved by the County.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5300, §§ 4, 5, 3-20-2018; Ord. No. 5306, §§ 27—32, 11-6-2018)

21.67.060 - Cannabis manufacturing.

- A. Applicability. Non-volatile cannabis manufacturing facilities (requiring a Type 6 state license) may be permitted in the Heavy Commercial (HC), Light Industrial (LI), Heavy Industrial (HI), Agricultural Industrial (AI), or In Farmland (F) zoning districts when combined with a cannabis cultivation permit, subject to an administrative permit in each case. Cannabis manufacturing facilities involving volatile processes or substances (requiring a Type 7 state license) shall only be permitted in the Heavy Industrial (HI) zoning district with an administrative permit in each case. Except as provided in Section 21.67.090 of this Chapter, cannabis manufacturing shall be subject to the requirements contained in this Section.
- B. Regulations. Cannabis manufacturing shall comply with all of the following regulations:
 1. Cannabis manufacturing facilities shall be located only in zoning districts that specifically provide for this use.
 2. Cannabis manufacturing facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 3. The Director of the Monterey County Environmental Health Bureau or his/her designee is the appropriate authority to determine if manufacturing operations are "volatile" as defined by the state.
 4. All cannabis manufacturing operations shall ensure that cannabis is obtained from permitted and licensed cultivation sources and shall implement best practices to ensure that all manufactured cannabis products are properly stored, labeled, transported, and inspected prior to distribution at a legally permitted and licensed dispensary.
 5. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the manufacturing facility if they are not engaging in activity expressly

- related to the operations of the manufacturing facility;
- b. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;
 - c. Install security cameras on site; and
 - d. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. On-site security shall not use or possess firearms or other lethal weapons.
6. Any employees of a cannabis manufacturing facility operating potentially hazardous equipment shall be trained on the proper use of equipment and on the proper hazard response protocols in the event of equipment failure. In addition, employees handling edible cannabis products or ingredients shall be trained on proper food safety practices.
 7. Unless restricted under the terms or conditions of an administrative permit, permittees who hold an administrative permit for cannabis manufacturing may transport their own cannabis products manufactured on site to another permitted and licensed cannabis business at an off-site facility provided the manufacturing permittee holds a Type 11 state license or other applicable state license that allows for the transportation of cannabis products. A separate administrative permit under this Section shall not be required for permittees that transport their own cannabis products manufactured on site to another permitted and licensed cannabis business at an off-site facility. Failure to adhere to County or state laws and regulations for manufactured cannabis transportation may be grounds for suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
- C. An administrative permit for cannabis manufacturing shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The manufacturing facility, as proposed, will comply with all of the requirements of the state and County for the cannabis manufacturing.
 2. The manufacturing facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
 3. The manufacturing, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. The manufacturing includes adequate quality control measures to ensure cannabis manufactured at the site meets industry standards.
 5. The manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from the release of harmful gases, liquids, or substances.
 6. The manufacturing operations plan includes adequate measures that address the federal enforcement priorities for cannabis activities including providing restrictions on access to minors, prohibiting use of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the state.
- D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for cannabis manufacturing:
1. The owner and permittees shall allow access to the facility and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
 3. The applicant for the manufacturing facility and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 4. Any person operating a cannabis manufacturing facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.30 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
 5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or

otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.

6. The manufacturing facilities and activities shall be maintained in accordance with the operating plans approved by the County.

(Ord. No. 5252, § 16, 12-5-2017; Ord. No. 5300, §§ 6, 7, 3-20-2018; Ord. No. 5306, §§ 33—36, 11-6-2018)

21.67.070 - Cannabis testing facilities.

- A. **Applicability.** Cannabis testing facilities (requiring a Type 8 state license) may be permitted in the Heavy Commercial (HC), Light Industrial (LI), Heavy Industrial (HI), and Agricultural Industrial (AI) zoning districts subject to an administrative permit in each case. Testing facilities shall be subject to the requirements of this Section.
- B. **Regulations.** Cannabis testing facilities shall comply with all of the following regulations:
1. Cannabis testing facilities shall be located only in zoning districts that specifically provide for this use.
 2. Cannabis testing facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 3. Cannabis testing facilities shall be independent from all other persons and entities involved in the cannabis industry.
 4. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the testing facility if they are not engaging in activity expressly related to the operations of the testing facility;
 - b. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;
 - c. Install security cameras on site; and
 - d. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. On-site security shall not use or possess firearms or other lethal weapons.
 5. Cannabis testing facilities shall adopt standard operating procedures using methods consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test cannabis and cannabis products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.
 6. Cannabis testing facilities shall obtain samples for testing according to a statistically valid sampling method.
 7. Cannabis testing facilities shall analyze samples according to either the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia or a scientifically valid methodology that is demonstrably equal or superior to the most recent cannabis inflorescence monograph.
 8. If a test result falls outside the specifications authorized by law or regulation, the cannabis testing facility shall follow a standard operating procedure to confirm or refute the original result.
 9. Cannabis testing facilities shall destroy the remains of any samples of cannabis or cannabis product tested upon completion of the analysis.
 10. A licensed testing laboratory shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:
 - a. Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following:
 - i. Tetrahydrocannabinol (THC).
 - ii. Tetrahydrocannabinolic Acid (THCA).
 - iii. Cannabidiol (CBD).
 - iv. Cannabidiolic Acid (CBDA).

- v. The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.
 - vi. Cannabigerol (CBG).
 - vii. Cannabinol (CBN).
 - viii. Any other compounds required by the Department of Public Health.
- b. That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American Herbal Pharmacopoeia monograph or those set by the California Department of Public Health. For purposes of this Paragraph, contaminants include, but are not limited to, all of the following:
- i. Residual solvent or processing chemicals.
 - ii. Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.
 - iii. Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.
 - ix. Whether the batch is within specifications for odor and appearance.
- C. Required Findings. An administrative permit for a cannabis testing facility shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The testing facility, as proposed, will comply with all of the requirements of the state and County for the testing of cannabis or cannabis products.
 2. The testing facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
 3. The cannabis testing, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. The owners, permittees, operators, and employees of the testing facility will not be associated with any other form of commercial cannabis activity.
 5. The testing facility is accredited by an appropriate accrediting agency.
 6. Plans for the testing facility demonstrate proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.
- D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for a cannabis testing facility:
1. The owner and permittees of the testing facility shall allow access to the facility and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
 3. The applicant for the testing facility and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 4. Any person operating a cannabis testing facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
 5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
 6. The testing facilities and related activities shall be maintained in accordance with the operating plans approved by the County.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5300, §§ 8, 9, 3-20-2018; Ord. No. 5306, §§ 37—39, 11-6-2018)

21.67.080 - Cannabis distribution.

- A. Applicability.** Except as provided in Section 21.67.090, cannabis distribution facilities (requiring a Type 11 state license) may be permitted in the Heavy Commercial (HC), Light Industrial (LI), Heavy Industrial (HI), and Agricultural Industrial (AI) zoning districts subject to an administrative permit in each case. Cannabis distribution facilities shall be subject to all of the requirements contained in this Section.
- B. Regulations.** Cannabis distribution facilities shall comply with all of the following requirements.
1. Cannabis distribution facilities shall be located only in zoning districts that specifically provide for this use.
 2. Cannabis distribution facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 3. Cannabis and cannabis products shall only be transported between permitted and licensed commercial cannabis operations.
 4. Prior to transporting cannabis or cannabis products, the distributor shall complete an electronic shipping manifest. The shipping manifest shall include the unique identifier information from the cultivation source.
 5. A physical copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the state or County charged with enforcement of this Chapter.
 6. Distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting cannabis and cannabis products shall be provided to maintain a clear chain of custody.
 7. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. Security measures at distribution facilities shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the distribution facility if they are not engaging in activity expressly related to the operations of the distribution facility;
 - b. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;
 - c. Install security cameras on site; and
 - d. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. On-site security shall not use or possess firearms or other lethal weapons.
 8. Distributors shall ensure that appropriate samples of cannabis or cannabis products are tested by a licensed testing facility prior to distribution.
 9. Prior to distribution, the distributor shall inspect cannabis or cannabis products for quality assurance.
 10. Cannabis and cannabis products shall be packaged and labeled in accordance with the requirements of state law.
 11. Alternative fuel vehicles shall be provided as part of a cannabis transportation fleet.
 12. The driver of a vehicle transporting cannabis and cannabis products shall be directly employed by persons holding all required permits, licenses, and entitlements for a cannabis distributor.
- C. Required Findings.** An administrative permit for a cannabis distribution facility shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The distribution facility, as proposed, will comply with all of the requirements of the state and County for the cannabis distribution.
 2. The distribution facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
 3. The cannabis distribution facility as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. Plans for the distribution facility demonstrate proper protocols and procedures that address the federal enforcement priorities for cannabis activities including providing restrictions on access to minors, prohibiting use or possession of firearms for security

purposes at the premises, and ensuring that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the state.

- D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for a cannabis distribution facility:
1. The owner and permittees of a distribution facility shall allow access to the facility and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
 3. The applicant for a distribution facility and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 4. Any person operating a cannabis distribution facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must such permit in good standing in order to continue operations.
 5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
 6. The distribution facilities and activities shall be maintained in accordance with the operating plans approved by the County.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5300, §§ 10, 11, 3-20-2018; Ord. No. 5306, §§ 40–42, 11-6-2018)

21.67.090 - Exemptions from permit requirements.

All of the following cannabis activities are exempt from the administrative permit requirements of this Chapter in all zoning districts:

- A. Possession, storage, manufacturing, or transportation of medicinal cannabis, or cultivation of up to one hundred (100) square feet total canopy area of medicinal cannabis by a qualified patient, as that term is defined in Section 11362.7 of the California Health and Safety Code, provided the qualified patient, possesses, stores, manufactures, transports, or cultivates cannabis exclusively for his or her personal medical use, and does not provide, donate, sell, or distribute cannabis to any other person. Qualified patients shall, upon request, provide appropriate documentation to law enforcement demonstrating that they have a valid doctor's recommendation to use cannabis for medicinal purposes.
- B. Possession, storage, manufacturing, transportation of medicinal cannabis, or cultivation of up to one hundred (100) square feet of canopy area of medicinal cannabis by a primary caregiver on behalf of a qualified patient, within the meaning of Section 11362.7 of the California Health and Safety Code, provided the primary caregiver does not receive remuneration for these activities except for compensation in full compliance with Section 11362.765(c) of the California Health and Safety Code. Primary caregivers shall, upon request, provide appropriate documentation to law enforcement demonstrating that they are a primary caregiver for a qualified patient.
- C. Possession, processing, storage, transportation, or donation of not more than 28.5 grams of cannabis or not more than eight (8) grams of concentrated cannabis to persons twenty-one (21) years of age or older by persons twenty-one (21) years of age or older.
- D. The cultivation of up to six (6) cannabis plants by persons twenty-one (21) years of age or older as allowed pursuant to Section 11362.1(a) of the California Health and Safety Code.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5306, § 43, 11-6-2018)

21.67.100 - Application requirements.

All applications for a permit for a commercial cannabis activity under this Chapter shall be filed with the Resource Management Agency on the forms and in the manner prescribed by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee. In all cases the application shall contain, without limitation, the following documentation:

- A. Notarized, written authorization from all persons and entities having a right, title or interest in the property that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activity on the subject property.
- B. The name and address of all persons and entities responsible for the operation of the commercial cannabis activity, including managers, corporate officers, any individual with an ownership interest, any member of a board of directors, any general or limited partner, and/or any member of a decision-making body for the commercial cannabis activity.
- C. Site plans, floor plans, conceptual improvement plans, and a general description of the nature, size, and type of commercial cannabis activity(ies) being requested.
- D. An operations plan including at a minimum, the following information:
 1. Onsite security measures both physical and operational and, if applicable, security measures for the delivery of cannabis associated with the commercial cannabis business;
 2. Standard operating procedures manual detailing how operations will comply with State and local regulations; how safety and quality of products will be ensured; record keeping procedures for financing, testing, and adverse effect recording; and product recall procedures;
 3. Proposed hours of operation;
 4. Waste disposal information;
 5. A water management plan including the proposed water supply and proposed conservation measures;
 6. Medical recommendation verification when applicable and youth access restriction procedures;
 7. Product supply chain including information on where cultivation occurs, where the product is processed or manufactured, any required testing of cannabis or cannabis products, transportation, and packaging and labeling criteria;
 8. Record keeping policy;
 9. Track and trace measures;
 10. Sustainability measures including water efficiency measures, energy efficiency measures, high efficiency mechanical systems, and alternative fuel transportation methods;
 11. Odor prevention devices;
 12. Size, height, colors, and design of any proposed signage at the site;
 13. Parking plan; and
 14. Such other information as the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may require.
- E. Additional Application Requirements: Based on the type of commercial cannabis activities proposed, the following additional information may be required by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee:
 1. Cannabis Retailer: In reviewing an application for an administrative or use permit to dispense cannabis or cannabis products, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request operational plans detailing how operations will comply with federal enforcement priorities.
 2. Cannabis Cultivation: In reviewing an application for an administrative permit to cultivate cannabis, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request the following additional information:
 - a. Water conservation measures;
 - b. Projected energy demand and proposed renewable energy generation facilities;
 - c. Unique Identifier, inventory, and quality control procedures; and
 - d. A floor plan identifying the location, dimensions, and boundaries of all proposed canopy areas taking into account space needed for ongoing care of plants and a description of the proposed method of physically delineating those boundaries at the site.
 3. Cannabis Manufacturing: In reviewing an application for an administrative permit to operate a cannabis manufacturing facility, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request the following additional information:
 - a. Information on products used in the manufacturing process including the cannabis supply chain, liquids, solvents, agents,

and processes. Cannabis shall be obtained from a licensed cultivator or licensed distributor operating in compliance with all local and state laws:

- b. Storage protocol and hazard response plan;
 - c. Quality control measures; and
 - d. Any other information requested by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee.
4. Cannabis testing facilities: In reviewing an application for an administrative permit to operate a cannabis testing facility, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request the following additional information:
- a. An operations plan detailing how cannabis will be received, secured, tested, and destroyed upon completion;
 - b. Certificate of accreditation from an approved accrediting body;
 - c. Proposed procedures for record keeping including chain of custody control and certificate issuance; and
 - d. Any other information requested by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee.
5. Cannabis transportation and distribution facility: In reviewing an application for an administrative permit to operate a cannabis transportation and/or distribution facility, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request any following additional information:
- a. An operations plan detailing how, and from where, cannabis and cannabis products will be received, how any storage, distribution, and transportation operations will be secured to prevent theft and trespass, and to whom the product will be distributed;
 - b. Quality control inspections and requirements plan;
 - c. Truck parking and loading areas;
 - d. Storage and handling plans; and
 - e. Any other information requested by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee.

F. All required application materials shall be prepared by the applicant and submitted at the time of application.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5306, § 44, 11-6-2018)

21.67.110 - Grounds for suspension or revocation.

Any of the following shall be grounds for suspension or revocation of a use permit, or administrative permit granted for a commercial cannabis activity based on substantial evidence and following notice and public hearing pursuant to Section 21.67.120:

- A. Failure to comply with one or more of the conditions of the use permit or administrative permit;
- B. The use permit or administrative permit was granted on the basis of false material information, written or oral, given wilfully or negligently by the applicant;
- C. Any act or omission by an owner or permittee in contravention of the provisions of this Chapter;
- D. Any act or omission by an owner or permittee that results in the denial, revocation or suspension of the owner's or permittee's State License;
- E. Any act or omission that results in the revocation of that owner's or permittee's commercial cannabis permit under Chapter 7.90 of the Monterey County Code;
- F. Any act or omission by an owner or permittee in contravention of State law or the Monterey County Code;
- G. An owner's or permittee's failure to take appropriate action to evict or otherwise remove persons conducting commercial cannabis activities who do not maintain the necessary permits or licenses in good standing with the County or State;
- H. Possession or delivery of any other form of illegal drugs without proper legal authorization; or
- I. Conduct of the commercial cannabis activities in a manner that constitutes a nuisance, where the owner or permittee has failed to comply with reasonable conditions to abate the nuisance.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5306, § 45, 11-6-2018)

21.67.120 - Procedure for suspension or revocation.

- A. If the Director of the Resource Management Agency or the Chief of Planning, or his or her designee determines that grounds for suspension or revocation of the use permit or administrative permit exist pursuant to section 21.67.110, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee shall issue a written Notice of Intention to revoke or suspend the use permit or administrative permit, as the case may be. The Notice of Intention shall be served on the owner, as reported on the latest equalized assessment roll, and shall also be served on permittees on the property, as reported on the commercial cannabis permits issued pursuant to Chapter 7.90. The Notice of Intention shall be served by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested. The Notice of Intention shall describe the property, the intention to revoke or suspend the use permit or administrative permit, the grounds for revocation or suspension, the action necessary to abate the violation, the time limit for compliance, and the right to a hearing. The Notice of Intention shall notify the owner and permittees of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the use permit or administrative permit should not be suspended or revoked and shall notify them of the 10-day deadline to submit a written request for a hearing.
- B. The owner and permittees shall have ten (10) calendar days from the service of the Notice of Intention to submit a written request for a hearing before the Hearing Officer. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the use permit or administrative permit and a failure to exhaust administrative remedies. If the hearing is not timely requested, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may suspend or revoke the use permit or administrative permit in accordance with the Notice of Intention.
- C. Upon receipt of a timely written request for a hearing, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee shall set a date for a hearing to be held within sixty (60) days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served on the owner and permittees, such service to be accomplished by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested.
- D. Hearing by the Hearing Officer:
 1. The Hearing Officer is authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the suspension or revocation of the use permit or administrative permit.
 2. In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts.
 3. All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.
 4. The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.
 5. Within thirty (30) calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.
- E. In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the County's total costs of enforcement, including reasonable attorney fees.
- F. If neither owner nor any permittee nor their authorized representatives appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.

(Ord. No. 5292, § 16, 12-5-2017; Ord. No. 5306, §§ 46—48, 11-6-2018)

21.67.130 - Enforcement.

The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

- A. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements, of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a

misdeemeanor. No proof of knowledge, intent, or other mental state is required to establish a violation.

- B. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of County, create a cause of action for penalty pursuant to Chapters 1.20 and 1.22 of this Code, and any other action authorized by law.
- C. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter shall be subject to injunctive relief, disgorgement of any payment to the County of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorney fees, restitution, and any other relief or remedy available at law or in equity. The County, including the Office of the District Attorney and the Office of the County Counsel, may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis activity or persons related thereto, or associated with, the commercial cannabis activity.

(Ord. No. 5292, § 16, 12-5-2017)

21.57.140 - Operative date of Chapter 21.67.

This Chapter became operative on December 13, 2016, upon adoption by County voters of a County tax on commercial cannabis activity (codified at Chapter 7.100 of the Monterey County Code) and certification of the results of the vote on the tax pursuant to Section 15372 of the California Elections Code.

(Ord. No. 5292, § 16, 12-5-2017)

FEMA FLOOD ZONE DESIGNATIONS

Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

ZONE	DESCRIPTION
B and X (shaded)	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

High Risk Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION
A	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
AE	The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.
A1-30	These are known as numbered A Zones (e.g., A7 or A14). This is the base floodplain where the FIRM shows a BFE (old format).
AH	Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
AO	River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.

AR	Areas with a temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Mandatory flood insurance purchase requirements will apply, but rates will not exceed the rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.
A99	Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones.

High Risk - Coastal Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION
V	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. No base flood elevations are shown within these zones.
VE, V1 - 30	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.

Undetermined Risk Areas

ZONE	DESCRIPTION
D	Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.

PURCHASE AGREEMENT

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REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (FOR SELLER REPRESENTATIVES) (C.A.R. Form RCSD-S, Revised 6/16)

This form is not an assignment. It should not be used to add new parties after a contract has been formed. The purpose of this form is to identify who the principal is in the transaction and who has authority to sign documents on behalf of the principal.

This is a disclosure to the [] Purchase Agreement, [X] Listing Agreement, [] Other, dated 04/09/2019 ("Agreement"),

for the property known as 24000 Foster Rd, Salinas, CA 93908-9734 ("Property"), between Xingdong Qian, et al ("Buyer", [X] Listing Broker) and Cv Transportation Inc. ("Seller"). If a trust, identify Seller as the trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust 3.). Full name of trust should be identified in 1A below. If power of attorney, insert principal's name as Seller.

- 1. [] A. TRUST: (1) The Property is held in trust pursuant to a trust document, titled (Full name of Trust) dated (2) The person(s) signing below is/are Sole/Co/Successor Trustee(s) of the Trust. [X] B. ENTITY: Seller is a [X] Corporation, [] Limited Liability Company, [] Partnership [] Other: which has authorized the officer(s), managing member(s), partner(s) or person(s) signing below to act on its behalf. An authorizing resolution of the applicable body of the entity described above [] is [] is not attached. [] C. POWER OF ATTORNEY: Seller ("Principal") has authorized the person(s) signing below ("Attorney-in-Fact", "Power of Attorney" or "POA") to act on his/her behalf pursuant to a General Power of Attorney ([] Specific Power of Attorney for the Property), dated This form is not a Power of Attorney. A Power of Attorney must have already been executed before this form is used. [] D. ESTATE: (1) Seller is an [] estate, [] conservatorship, or [] guardianship identified by Superior Court Case name as Case # (2) The person(s) signing below is/are court approved representatives (whether designated as Sole or Co-Executor, Administrator, Conservator, Guardian) of the estate, conservatorship or guardianship identified above.

2. Seller's Representative represents that the trust, entity or power of attorney for which that Party is acting already exists.

Seller, Declassified by: By Salvador Barreras Date: 4/9/2019 (Sign Name of Trustee, Officer, Managing Member, Partner, Attorney-in-Fact or Administrator/Executor) (Print Representative Name) Salvador Barreras Title: Owner

Acknowledgement of Receipt By Other Party:

(Listing Broker) Coldwell Banker Residential Brokerage By Susan Thomas Date: 4/9/2019 (Buyer) [Signature] Date: 8/18/2020 (Print Buyer Name) [Signature] (Buyer) [Signature] Date: 8/18/2020 (Print Buyer Name) [Signature]

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**AFFILIATED BUSINESS ARRANGEMENT
DISCLOSURE STATEMENT**

From: COLDWELL BANKER RESIDENTIAL BROKERAGE

Property: If this form is being provided to you as the seller then this form refers to the property being sold. If this form is being provided to you as a buyer or prospective buyer then this form refers to any property that you may consider purchasing with the assistance of Coldwell Banker Residential Brokerage.

This is to give you notice that COLDWELL BANKER RESIDENTIAL BROKERAGE, a subsidiary of Realty Holdings Corp., ("Broker") is part of the NRT LLC family of real estate brokerage companies and has a business relationship with the companies listed below in this Statement. Realty Holdings Corp. owns 100% of NRT LLC, which owns 100% of Broker. Realty Holdings Corp., also owns 100% of each company listed below, except for (i) the mortgage lender, in which TRG Venture Partner LLC has a 49.9% ownership interest (ii) the title insurance provider Cypress Title Corporation, in which Title Resource Group LLC, a subsidiary of Realty Holdings Corp., has a 40% ownership interest and (iii) Ojo Labs, Inc. in which Realty Services Group LLC, a subsidiary of Realty Holdings Corp., has a 10.2% ownership interest. Realty Holdings Corp., also owns the franchisors of the BETTER HOMES & GARDENS® REAL ESTATE, COLDWELL BANKER®, COLDWELL BANKER COMMERCIAL®, CENTURY 21®, ERA®, AND SOTHEBY'S INTERNATIONAL REALTY® franchise systems. Because of these relationships, Broker's referral of business to any of the companies listed below may provide Broker, Realty Holdings Corp., NRT LLC, the franchisors owned by Realty Holdings Corp. and/or their employees, affiliates, or any other related parties noted herein a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed providers as a condition of the purchase or sale of your property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

COMPANIES	SETTLEMENT SERVICES	ESTIMATE OF CHARGES OR RANGE OF CHARGES
Quaranteed Rate Affinity Provides a full range of residential mortgage loan products and services.	Loan origination charge Loan discount fee/points Application fee	\$1,200 0% - 5% of loan amount \$150
CORNERSTONE TITLE COMPANY CYPRESS TITLE CORPORATION Provides searches of public records that bring to your attention any known problems with the property's title before closing, and provides the policy that insures against loss due to certain title defects. In Northern California, Cornerstone & Cypress also handle the escrow process.	Title insurance premium Settlement/escrow fee Document preparation/processing fee	Owners Policy (1108-1110): \$100,000 \$575 - \$720 \$250,000 \$950 - \$1,188 \$500,000 \$1,446 - \$1,808 Lender's Policy concurrent w/Owners (based on 80% financing): \$100,000 loan \$294 - \$348 \$250,000 loan \$455 - \$370 \$500,000 loan \$673 - \$668 Settlement/escrow charges: \$100,000 loan \$470 - \$705 \$250,000 loan \$670 - \$965 \$500,000 loan \$870 - \$1,195 Miscellaneous documentation/recording fees: \$50 to \$450
Castle Edge Insurance Agency, Inc. Provides insurance agency services for homeowner's insurance.	Homeowner's insurance premium	\$2.00 - \$6.00 per thousand dollars of replacement cost of dwelling
Cartus Corporation Provides relocation, assignment management and cooperative real estate brokerage services to its corporate and government clients and its network of real estate brokerage companies.	Cooperative real estate brokerage commission	The Cartus referral commission varies, but is generally paid to Cartus (a licensed real estate broker) by a real estate broker as a percentage (typically, 37.5% - 42.5%) of the real estate broker's commission on a transaction side, and may be shared by Cartus with other brokers.

CR850

Coldwell Banker Residential Brokerage - Carrot Seeds, 124 Clark Tower Plaza, Ste 100 - Carrot CA 95013 Phone: (925) 324-3117 Fax: (925) 424-2296 3488 New Rd
 Susan Thomas Produced with zipForm® by zipLogic 18070 Filbert Mile Road, Trussard, Michigan 48068 www.zipLogic.com

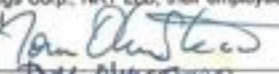
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COMPANIES	SETTLEMENT SERVICES	ESTIMATE OF CHARGES OR RANGE OF CHARGES
<p>Other NRT LLC Real Estate Brokerage Companies and Other Franchisees In certain markets other NRT LLC subsidiaries provide real estate brokerage services under Coldwell Banker, Corcoran, CitiHabitats, Sotheby's International Realty, Climb Real Estate and ZipRealty trade names. Also note that in other markets, franchisees of Realty Holdings Corp. subsidiaries provide real estate brokerage services as franchisees of Better Homes & Gardens, Coldwell Banker, Coldwell Banker Commercial, Century 21, ERA and Sotheby's International Realty.</p>	<p>Real estate brokerage commission Cooperative real estate brokerage commission</p>	<p>3 – 10% of sales price of the property depending on multiple factors including type of property, transaction side, services, region and transaction structure. However, commissions vary per agreement with each customer and may be negotiated, in whole or in part, as fixed amounts, such as a fixed amount in lieu of all or part of a percentage, or an amount such as \$100 - \$1000 in addition to a percentage. In addition, referral commissions vary, but are generally paid by a real estate broker as a percentage (approximately 25% - 50%) of the real estate broker's commission on a transaction side.</p>
<p>Ojo Labs, Inc. Provides artificial intelligence technology to validate and incubate real estate leads. I.e. digital real estate assistant, and cooperative real estate brokerage services.</p>	<p>Cooperative real estate brokerage commission</p>	<p>The Ojo referral commission will be paid to Ojo (a licensed real estate broker) by a real broker as a percentage (in this case, 17.5%) of the real estate broker's commission on a transaction side.</p>


In addition to the affiliated business relationships described above, Broker has a business arrangement with American Home Shield Corporation ("AHS") and Home Partners of America ("HPA"). While Broker, Realty Holdings Corp., and NRT LLC, including their subsidiaries and affiliates, do not have any ownership interests in AHS or HPA, they may receive fees from AHS or HPA in return for their performance of services.

ACKNOWLEDGMENT

I/we have read this disclosure form and understand that Broker is referring me/us to purchase the above-described settlement service(s) and that Broker, Realty Holdings Corp., NRT LLC, their employees and/or subsidiaries and affiliates may receive a financial benefit as the result of this referral.



 Buyer's or Seller's Signature Date 8/18/2020



 Buyer's or Seller's Signature Date 8/18/2020



 Buyer's or Seller's Signature Date 8-18-20

Nor Cal Revised 02/2019

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (Buyer's Brokerage Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/18)



(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(j), (k) and (l).

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 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 AGENT

A Buyer's 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 AND BUYER

A real estate agent, either acting directly or through one or more salespersons and broker associates, 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, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

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.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

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 page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer/Seller/Landlord/Tenant checkboxes and signature lines for both parties, including dates 8/18/20 and agent information for Coldwell Banker Realty.

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CIVIL CODE SECTIONS 2079.13 – 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13, As used in Sections 2079.7 and 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 2205) 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 listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salesperson or broker associates who perform as agents of the agent. When a salesperson or broker associate 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 salesperson or broker associate functions.

(b) "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 of real property.

(c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in Section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29.

(d) "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction.

(e) "Listing agreement" means a written contract between a seller 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, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement.

(f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation.

(g) "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 seller's agent.

(h) "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.

(i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller.

(j) "Real property" means any estate specified by subdivision (1) or (2) of Section 791: (1) property, and includes (1) single-family residential property, (2) multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 13008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10121.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. (l) "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 2905, and transactions for the creation of a leasehold exceeding one year's duration. (m) "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 of real property. (n) "Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14. A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.15, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: (a) The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving 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 shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer'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 buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction 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 seller's agent prior to or coincident with the execution of that contract by the seller.

CONFIRMATION: The following agency relationships are confirmed for this transaction:

Seller's Brokerage Firm DO NOT COMPLETE. SAMPLE ONLY License Number _____
 Is the broker of (check one): the seller; or both the buyer and seller. (dual agent)

Seller's Agent DO NOT COMPLETE. SAMPLE ONLY License Number _____
 Is (check one): the Seller's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)

Buyer's Brokerage Firm DO NOT COMPLETE. SAMPLE ONLY License Number _____
 Is the broker of (check one): the buyer; or both the buyer and seller. (dual agent)

Buyer's Agent DO NOT COMPLETE. SAMPLE ONLY License Number _____
 Is (check one): the Buyer's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AS-1289)

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) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. (b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c) "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) 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 seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 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.

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.

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**AD REVISED 12/18 (PAGE 2 OF 2)
 DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**

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CALIFORNIA ASSOCIATION OF REALTORS®

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY (C.A.R. Form WFA, Revised 12/17)



Property Address: 24000 Potter Rd, Salinas, CA 93908-9734 ("Property").

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFERS ADVISORY:

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring or electronically transferring funds is a welcome convenience, we all need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring or funds transfer instructions. In those cases, the victim called the number provided to confirm the instructions, and then unwittingly authorized a transfer to somewhere or someone other than the intended recipient.

ACCORDINGLY, YOU ARE ADVISED:

- 1. Obtain phone numbers and account numbers only from Escrow Officers, Property Managers, or Landlords at the beginning of the transaction.
2. DO NOT EVER WIRE OR ELECTRONICALLY TRANSFER FUNDS PRIOR TO CALLING TO CONFIRM THE TRANSFER INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number or account number included in any emailed transfer instructions.
3. Orally confirm the transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer, Property Manager, or Landlord.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

If you believe you have received questionable or suspicious wire or funds transfer instructions, immediately notify your bank, and the other party, and the Escrow Office, Landlord, or Property Manager. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: https://www.fbi.gov/; the FBI's IC3 at www.ic3.gov; or 310-477-6565

National White Collar Crime Center: http://www.nw3c.org/

On Guard Online: https://www.onguardonline.gov/

NOTE: There are existing alternatives to electronic and wired fund transfers such as cashier's checks. By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud and Electronic Funds Transfer Advisory.

Buyer/Tenant X [Signature] Calamus Brands, Inc. Date 8/18/2020
Buyer/Tenant [Signature] Date 8/18/2020
Seller/Landlord X [Signature] CV Transportation Date 8-18-2020
Seller/Landlord _____ Date _____

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WFA REVISED 12/17 (PAGE 1 OF 1)

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY (WFA PAGE 1 OF 1)

Coldwell Banker Residential Brokerage - Carrol Realty, 126 Clark Tower Place, Ste 188 Carrol CA 95021 Phone: (916) 308-0117 Fax: (916) 454-2338 34888 Peter St. Irvine, CA 92614 Produced with zplForm® by zpl.com 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zpl.com

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CALIFORNIA
ASSOCIATION
OF REALTORS®

**COMMERCIAL PROPERTY PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(NON-RESIDENTIAL)
(C.A.R. Form CPA, Revised 12/18)



Date Prepared: 08/18/2020

1. OFFER:

- A. **THIS IS AN OFFER FROM** Calamus Brands, Inc. ("Buyer").
 Individual(s), A Corporation, A Partnership, An LLC, An LLP, or Other
- B. **THE REAL PROPERTY** to be acquired is 24000 Potter Rd, situated in
Salinas (City), Monterey (County), California, 92308-8734 (Zip Code), Assessor's Parcel No. 137-001-021 ("Property").
- C. **THE PURCHASE PRICE** offered is Five Million Dollars \$5,000,000.00
- D. **CLOSE OF ESCROW** shall occur on _____ (date) or 90 Days After Acceptance).
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. **DISCLOSURE:** The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD)
- B. **CONFIRMATION:** The following agency relationships are confirmed for this transaction:
Seller's Brokerage Firm Coldwell Banker Residential Brokerage License Number 01908304
 Is the broker of (check one): the seller; or both the buyer and seller. (dual agent)
Seller's Agent Susan Thomas License Number 01326393
 Is (check one): the Seller's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)
- Buyer's Brokerage Firm** Coldwell Banker Realty License Number 01908304
 Is the broker of (check one): the buyer; or both the buyer and seller. (dual agent)
Buyer's Agent Susan Thomas License Number 01326393
 Is (check one): the Buyer's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)
- C. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder,

- A. **INITIAL DEPOSIT:** Deposit shall be in the amount of \$ 150,000.00
 (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other _____ within 3 business days after Acceptance (or _____);
 OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____, The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be an original signed check and not a copy.
 (Note: Initial and increased deposit checks received by agent shall be recorded in Broker's trust fund log.)
- B. **INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of .. \$ _____ within _____ Days After Acceptance (or _____).
 If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
- C. **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.
- D. **LOAN(S):**
 (1) **FIRST LOAN:** In the amount of \$ 2,500,000.00
 This loan will be conventional financing OR Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 (2) **SECOND LOAN** in the amount of \$ _____
 This loan will be conventional financing OR Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- E. **ADDITIONAL FINANCING TERMS:** \$100,000.00 of buyers deposit to be non refundable upon CUP Approval. Buyer to pay for the improvements for CUP Approval.
- F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of \$ 2,350,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- G. **PURCHASE PRICE (TOTAL):** \$ 5,000,000.00

Buyer's Initials X([Handwritten initials]) Seller's Initials X([Handwritten initials])

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 CPA REVISED 12/18 (PAGE 1 OF 11)

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Property Address: 24000 Potter Rd, Salinas, CA 93908-9734

Date: August 18, 2020

- H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or ___) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (Verification attached.)
- I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or ___) Days After Acceptance.
- J. LOAN TERMS:
 - (1) LOAN APPLICATIONS: Within 3 (or ___) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)
 - (2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
 - (3) LOAN CONTINGENCY REMOVAL: Within 21 (or ___) Days After Acceptance, Buyer shall, as specified in paragraph 18, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
 - (4) NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
 - (5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
- 4. SALE OF BUYER'S PROPERTY:
 - A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
 - OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
- 5. ADDENDA AND ADVISORIES:
 - A. ADDENDA:

<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)	<input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM)
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)	<input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)	<input type="checkbox"/> Other _____
 - B. BUYER AND SELLER ADVISORIES:

<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)
<input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)
<input type="checkbox"/> REC Advisory (C.A.R. Form REC)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)
<input type="checkbox"/> Other _____
- 6. OTHER TERMS: Seller to demo all required demolition per Monterey County escrow/planning Report.
- 7. ALLOCATION OF COSTS
 - A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
 - (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: _____ prepared by JCP
 - (2) Buyer Seller shall pay for the following Report County reports prepared by _____
 - (3) Buyer Seller shall pay for the following Report _____ prepared by _____

Buyer's Initials: (u) Juro PS e

Seller's Initials: (SB) _____



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Property Address: 24500 Potter Rd, Salinas, CA 93208-9734

Date: August 18, 2020

- D. At Close Of Escrow: (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Owners' Association ("OA") to obtain keys to accessible OA facilities.
- 10. **SECURITY DEPOSITS:** Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.
- 11. **SELLER DISCLOSURES:**
 - A. **NATURAL AND ENVIRONMENTAL DISCLOSURES:** Seller shall, within the time specified in paragraph 18, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
 - B. **ADDITIONAL DISCLOSURES:** Within the time specified in paragraph 18, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:
 - (1) **RENTAL SERVICE AGREEMENTS:** (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.
 - (2) **INCOME AND EXPENSE STATEMENTS:** The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
 - (3) **TENANT ESTOPPEL CERTIFICATES:** (if checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
 - (4) **SURVEYS, PLANS AND ENGINEERING DOCUMENTS:** Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.
 - (5) **PERMITS:** If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
 - (6) **STRUCTURAL MODIFICATIONS:** Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
 - (7) **GOVERNMENTAL COMPLIANCE:** Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
 - (8) **VIOLATION NOTICES:** Any notice of violations of any Law filed or issued against the Property and actually known to Seller.
 - (9) **WATER CONSERVING PLUMBING DEVICES:** Section 1101.5 of the Civil Code, requires that by January 1, 2019, all multi-family residential and commercial real property be equipped with water-conserving plumbing devices. Seller shall disclose in writing whether the property includes any noncompliant plumbing fixtures. Seller may use C.A.R. Form SPQ or ESD. See C.A.R. Form WCMD for further information.
 - (10) **MISCELLANEOUS ITEMS:** Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.
 - C. **WITHHOLDING TAXES:** Within the time specified in paragraph 18A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or CS).
 - D. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
 - E. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
 - (1) **SELLER HAS: 7 (or ___) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision.
 - (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ___) Days After Acceptance to request from the OA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 18B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to OA or management company to pay for any of the above.

Buyer's Initials: *[Handwritten Signature]*

Seller's Initials: *[Handwritten Signature]*

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 4 OF 11)

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24000 Potter Rd



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Date: August 16, 2020

12. ENVIRONMENTAL SURVEY (if checked): Within _____ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by Buyer Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.
13. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
14. **CHANGES DURING ESCROW:**
- A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. (1) 7 (or) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes. (2) Within 5 (or) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
15. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A. Seller shall, within the time specified in paragraph 15A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
 - B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 15B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
 - C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
16. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 15B. Within the time specified in paragraph 15B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 15B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
 - C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
 - D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
17. **TITLE AND VESTING:**
- A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
 - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
 - C. Within the time specified in paragraph 15A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials X(Two) PS Seller's Initials X(SB) 

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Date: August 18, 2020

- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
 - E. Buyer shall receive a standard coverage owners CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).**
- A. **SELLER HAS: 7 (or ___) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(7), 11A, B, C, D and F, 12, 15A and 17A.** Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
 - B. (1) **BUYER HAS: 17 (or 45) Days After Acceptance, unless otherwise agreed in writing, to:**
 - (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(7) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property.
 - (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has 5 (or ___) Days After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
 - C. **SELLER RIGHT TO CANCEL:**
 - (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NSP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3I or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) in writing assume or accept leases or fees specified in 8B(7); (v) Sign or Initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - D. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NSP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or ___) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
 - E. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
 - F. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
 - G. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials X (MB) UC OP ST

Seller's Initials X (SB) ()



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Date: August 18, 2020

19. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
20. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 15; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
21. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, CA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
22. **BROKERS:**
 - A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
 - B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.
 - C. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
23. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
 - A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10, 11D, 17, 18G, 21, 22A, 23, 24, 30, 38, 39, 41, 42 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 22A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 11 or elsewhere in this Agreement.

Buyer's Initials RFW LS JD JS

Seller's Initials (SB) ()



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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 7 OF 11)

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24000 Potter Rd

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Date: August 18, 2020

- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 22A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 22A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).

Buyer's Initials TWS WK DS Seller's Initials SB

26. DISPUTE RESOLUTION:

- A. MEDIATION: The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumersmediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 26C.
- B. ARBITRATION OF DISPUTES:
The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

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

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

Buyer's Initials TWS WK DS Seller's Initials SB
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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 8 OF 11)

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Date: August 18, 2020

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
 - (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
 - (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.
27. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
 28. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
 29. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
 30. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AQAA).
 31. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
 32. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
 33. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
 34. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
 35. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
 36. **GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.
 37. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
 38. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
 39. **DEFINITIONS:** As used in this Agreement:
 - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.

Buyer's Initials: [Handwritten Initials] Seller's Initials: [Handwritten Initials]

CPA REVISED 12/18 (PAGE 9 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 9 OF 11)

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24000 Potter Rd

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Property Address: 24000 Potter Rd, Salinas, CA 93908-9734

Date: August 18, 2020

- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
40. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
41. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Susan Thomas, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by AM PM, on (date)).

One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date 8/18/2020 BUYER Tom Olin Lori Swaneer
 (Print name) Calamus Brands, Inc. Tom Olin Lori Swaneer
 Date 8/18/2020 BUYER [Signature] [Signature]
 (Print name) Ray Charon - San Miguel [Signature]

Additional Signature Addendum attached (C.A.R. Form ASA).

42. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(if checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: _____

One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 8-18-2020 SELLER Salvador Barreras
 (Print name) CV Transportation
 Date _____ SELLER _____
 (Print name) _____

Additional Signature Addendum attached (C.A.R. Form ASA).

[Signature] (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) 8/18/2020 at 12:50 PM.
 AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Date: August 18, 2020

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
 B. Agency relationships are confirmed as stated in paragraph 2.
 C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
 D. **COOPERATING (BUYER'S) COMPENSATION:** Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.
 E. **PRESENTATION OF OFFER:** Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm Coldwell Banker Realty DRE Lic. # 01908304
 By Susan Thomas DRE Lic. # 01338393 Date 8/18/2020 10:51 AM PDT
 Address 126 Clock Tower Pl #100 City Carmel State CA Zip 93923
 Telephone (831)320-3119 Fax (831)319-0377 E-mail susan.thomas@cbnocal.com

Seller's Brokerage Firm Coldwell Banker Residential Brokerage DRE Lic. # 01908304
 By Susan Thomas DRE Lic. # 01338393 Date 8/18/2020
 Address 126 Clock Tower Pl #100 City Carmel State CA Zip 93923
 Telephone (831)320-3119 Fax (831)319-0377 E-mail susan.thomas@cbnocal.com

ESCROW HOLDER ACKNOWLEDGMENT:
 Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer numbers _____ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 24 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____
 Escrow Holder has the following license number # _____
 Department of Business Oversight, Department of Insurance, Department of Real Estate.

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).
 Broker or Designee Initials

REJECTION OF OFFER: (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
 Seller's Initials

Buyer's Initials X: A. Two [Signature] [Signature] Seller's Initials X: [Signature] _____

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BUYER'S INSPECTION ADVISORY
(C.A.R. Form BIA, Revised 11/14)



Property Address 24000 Potter Rd, Salinas, CA 93908-9734

1. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

2. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer _____ Buyer _____
Calamus Brands, Inc. _____

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BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)

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POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT
(C.A.R. Form PRBS, Revised 12/18)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the seller's willingness to accept a price less than the listing price or the buyer's willingness to pay a price greater than the price offered; and except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

Seller Salvador Barrios CV Transportation Date 8/18/2020
 Seller _____ Date _____
 Buyer John Trueman Tolbert Calamus Brands, Inc. Date 8/18/2020
 Buyer _____ Date 8/18/2020
 Buyer's Brokerage Firm Coldwell Banker Realty DRE Lic # 01908304 Date _____
 By Susan Thomas DRE Lic # 01336393 Date 8/18/2020 10:51
 Seller's Brokerage Firm Coldwell Banker Residential Brokerage DRE Lic # 01908304 Date 8/18/2020
 By Susan Thomas DRE Lic # 01336393 Date 8/18/2020

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PRBS REVISED 12/18 (PAGE 1 OF 1)
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Coldwell Banker Residential Brokerage - Central Region, 126 Clark Street Plaza, Ste 100, Concord CA 94520 Phone: (916) 336-3119 Fax: (916) 426-3228 20000 Paces Rd
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CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (C.A.R. Form CCPA, 12/19)



As of January 1, 2020, the California Consumer Privacy Act (commencing with Civil Code § 1798.100) ("CCPA") grants to California residents certain rights in their private, personal information that is collected by companies with whom they do business. Under the CCPA, "personal information" is defined broadly to encompass non-public records information that could reasonably be linked directly or indirectly to you, including, potentially, photographs of or sales information about your property. Some of your personal information will be collected and likely shared with others during the process of buying and selling real estate. Depending on the situation, you may have the right to "opt out" or stop the transfer of your personal information to others and request that certain businesses delete your personal information altogether. Not all businesses you interact with are required to comply with the law, primarily just those who meet the criteria of a covered "Business" as set forth in Section 1798.140 (c). For more information, you may ask your Broker for a copy of the C.A.R. Legal Q&A on the subject.

A real estate broker is likely to submit personal information to a Multiple Listing Service ("MLS") in order to help find a buyer for a seller's property. Through the MLS, the information is made available to real estate brokers and salespeople, and others. Even after a sale is complete, the MLS distributes sales information to the real estate community. Brokers, agents and MLSs may also share your personal information with others who post the personal information on websites or elsewhere, or otherwise use it. Thus, there are various service providers and companies in a real estate transaction who may be engaged in using or sharing data involving your personal information.

If your broker is a covered Business, it should have a privacy policy explaining your rights on its website and giving you an opportunity to request that personal information not be shared, used and even deleted. Even if your real estate brokerage is a covered Business, it needs, and is allowed, to keep your information to effectuate a sale and, by law, is required to maintain such information for three years to comply with regulatory requirements. Not all brokers are covered Businesses, however, and those that are not, do not have to comply with the CCPA.

Similarly, most MLSs will not be considered a covered Business. Instead, the MLS may be considered a Third Party in the event a covered Business (ex: brokerages, real estate listing aggregation or advertising internet sites or other outlets who meet the criteria of covered Businesses) exchanges personal information with the MLS. You do not have the right under the CCPA to require a Third Party to delete your personal information. And like real estate brokerages, even if an MLS is a covered Business, MLSs are also required by law to retain and make accessible in its computer system any and all listing and other information for three years.

Whether an MLS is a covered Business or a Third Party, you have a right to be notified about the sharing of your personal information and your right to contact a covered Business to opt out of your personal information being used, or shared with Third Parties. Since the MLSs and/or other entities receiving your personal information do not have direct contact with buyers and sellers and also may not be aware of which entities exchanging personal information are covered Businesses, this form is being used to notify you of your rights under the CCPA and your ability to direct requests to covered Businesses not to share personal information with Third Parties. One way to limit access to your personal information, is to inform your broker or salesperson you want to opt-out of the MLS, and if so, you will be asked to sign a document (Form SELM) confirming your request to keep your listing off the MLS. However, if you do so, it may be more difficult to sell your property or obtain the highest price for it because your property will not be exposed to the greatest number of real estate licensees and others.

I/we acknowledge receipt of a copy of this California Consumer Privacy Act Advisory.

Buyer/Seller/Landlord/Tenant [Signature] Date 8/18/2020
Buyer/Seller/Landlord/Tenant [Signature] Date 8/18/2020

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CCPA 12/19 (PAGE 1 OF 1)

CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (CCPA PAGE 1 OF 1)

Coldwell Banker Residential Brokerage - Carol Ranta, 126 Cook Street Plaza, Ste 100, Carlsbad CA 92008 Phone: (818) 308-3179 Fax: (818) 424-2226 54999 Pwnt 04
Susan Thomas Produced with pdfForm® by dSign 12070 Pitsen Mile Road, Farmington, Michigan 48325 99962622002222

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CALIFORNIA ASSOCIATION OF REALTORS®

SELLER FINANCING ADDENDUM AND DISCLOSURE (SEE IMPORTANT DISCLOSURE ON PAGE 4) (California Civil Code §52956-2967) (C.A.R. Form SFA, Revised 11/13)



This is an addendum to the [] Residential Purchase Agreement, [] Counter Offer, or [X] Other CPA, ("Agreement"), dated 01/19/2020

On property known as 24000 Potter Rd, Salinas, CA 92088-9734 ("Property"), between Calonso Brands, Inc. ("Buyer") and CV Transportation ("Seller").

- Seller agrees to extend credit to Buyer as follows:
1. PRINCIPAL: INTEREST; PAYMENT; MATURITY TERMS: [X] Principal amount \$ 2,500,000.00, interest at 0% per annum, payable at approximately \$ per month, year, or [X] other Seller to remain on the property 1 year or less, remaining principal balance due in 7 years.
2. LOAN APPLICATION; CREDIT REPORT: Within 5 (or []) Days After Acceptance: (a) Buyer shall provide Seller a completed loan application on a form acceptable to Seller (such as a FNMA/FHLMC Uniform Residential Loan Application for residential one to four unit properties); and (b) Buyer authorizes Seller and/or Agent to obtain, at Buyer's expense, a copy of Buyer's credit report. Buyer shall provide any supporting documentation reasonably requested by Seller. Seller, after first giving Buyer a Notice to Buyer to Perform, may cancel this Agreement in writing and authorize return of Buyer's deposit if Buyer fails to provide such documents within that time, or if Seller disapproves any above item within 5 (or []) Days After receipt of each item.
3. CREDIT DOCUMENTS: This extension of credit by Seller will be evidenced by: [] Note and deed of trust, [] All-inclusive note and deed of trust; [] Installment land sale contract; [] Lease/option (when parties intend transfer of equitable title); OR [] Other (specify)

THE FOLLOWING TERMS APPLY ONLY IF CHECKED. SELLER IS ADVISED TO READ ALL TERMS, EVEN THOSE NOT CHECKED, TO UNDERSTAND WHAT IS OR IS NOT INCLUDED, AND, IF NOT INCLUDED, THE CONSEQUENCES THEREOF.

- 4. [] LATE CHARGE: If any payment is not made within Days After it is due, a late charge of either \$ or % of the installment due, may be charged to Buyer. NOTE: On single family residences that Buyer intends to occupy, California Civil Code §2954.4(a) limits the late charge to no more than 8% of the total installment payment due and requires a grace period of no less than 10 days.
5. [X] BALLOON PAYMENT: The extension of credit will provide for a balloon payment, in the amount of \$ 2,500,000.00, plus any accrued interest, which is due on August 18, 2021 (date).
6. [] PREPAYMENT: If all or part of this extension of credit is paid early, Seller may charge a prepayment penalty as follows (if applicable): Caution: California Civil Code §2964.9 contains limitations on prepayment penalties for residential one-to-four unit properties.
7. [X] DUE ON SALE: If any interest in the Property is sold or otherwise transferred, Seller has the option to require immediate payment of the entire unpaid principal balance, plus any accrued interest.
8. [X] REQUEST FOR COPY OF NOTICE OF DEFAULT: A request for a copy of Notice of Default as defined in California Civil Code §2924b will be recorded. If not, Seller is advised to consider recording a Request for Notice of Default.
9. [X] REQUEST FOR NOTICE OF DELINQUENCY: A request for Notice of Delinquency, as defined in California Civil Code §2924a, to be signed and paid for by Buyer, will be made to senior lienholders. If not, Seller is advised to consider making a Request for Notice of Delinquency. Seller is advised to check with senior lienholders to verify whether they will honor this request.
10. [X] TAX SERVICE:
A. If property taxes on the Property become delinquent, tax service will be arranged to report to Seller. If not, Seller is advised to consider retaining a tax service, or to otherwise determine that property taxes are paid.
B. [] Buyer, [] Seller, shall be responsible for the initial and continued retention of, and payment for, such tax service.
11. [X] TITLE INSURANCE: Title insurance coverage will be provided to both Seller and Buyer, insuring their respective interests in the Property. If not, Buyer and Seller are advised to consider securing such title insurance coverage.
12. [X] HAZARD INSURANCE:
A. The parties' escrow holder or insurance carrier will be directed to include a loss payee endorsement, adding Seller to the Property insurance policy. If not, Seller is advised to secure such an endorsement, or acquire a separate insurance policy.
B. Property insurance does not include earthquake or flood insurance coverage, unless checked:
[] Earthquake insurance will be obtained. [] Flood insurance will be obtained.
13. [] PROCEEDS TO BUYER: Buyer will receive cash proceeds at the close of the sale transaction. The amount received will be approximately \$ from (indicate source of proceeds). Buyer represents that the purpose of such disbursement is as follows:
14. [] NEGATIVE AMORTIZATION; DEFERRED INTEREST: Negative amortization results when Buyer's periodic payments are less than the amount of interest earned on the obligation. Deferred interest also results when the obligation does not require periodic payments for a period of time. In either case, interest is not payable as it accrues. This accrued interest will have to be paid by Buyer at a later time, and may result in Buyer owing more on the obligation than at its origination. The credit being extended to Buyer by Seller will provide for negative amortization or deferred interest as indicated below. (Check A, B, or C. CHECK ONE ONLY.)
[] A. All negative amortization or deferred interest shall be added to the principal (e.g., annually, monthly, etc.), and thereafter shall bear interest at the rate specified in the credit documents (compound interest);
OR
[] B. All deferred interest shall be due and payable, along with principal, at maturity;
OR
[] C. Other

(For Paragraphs 8-10) In order to receive timely and continued notification, Seller is advised to record appropriate notices and/or to notify appropriate parties of any change in Seller's address.

Buyer's Initials: [Handwritten initials]

Seller's Initials: [Handwritten initials]

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SELLER FINANCING ADDENDUM AND DISCLOSURE (SFA PAGE 1 OF 4)

Coldwell Banker Residential Brokerage - Central Beach, 534 Clark Tower Place, Ste 100, Central CA 95023 Phone (415) 358-1139 Fax (415) 426-0238 34880 Potter Rd, Irvine, CA 92614 Produced with zipForm® by zipLogic 18070 Wilson Mile Road, Farm, Michigan 48028 2020.285.0261.0285

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Property Address: 24099 Ponder Rd, Salinas, CA 93908-9724

Date:

2/16/2020

15. ALL-INCLUSIVE DEED OF TRUST; REAL PROPERTY SALES CONTRACT (INSTALLMENT LAND SALE CONTRACT): This transaction involves the use of an all-inclusive (or wraparound) deed of trust or a real property sales contract. That deed of trust or contract shall provide as follows:

- A. In the event of an acceleration of any senior encumbrance, the party responsible for payment, or for legal defense is: Buyer Seller; OR Is not specified in the credit or security documents.
 - B. In the event of the prepayment of a senior encumbrance, the responsibilities and rights of Buyer and Seller regarding refinancing, prepayment penalties, and any prepayment discounts are: _____; OR Are not specified in the documents evidencing credit.
 - C. Buyer will make periodic payments to _____ (Seller, collection agent, or any neutral third party), who will be responsible for disbursing payments to the payee(s) on the senior encumbrance(s) and to Seller.
- NOTE: The Parties are advised to designate a neutral third party for these purposes.

16. TAX IDENTIFICATION NUMBERS: Buyer and Seller shall each provide to each other their Social Security Numbers or Taxpayer Identification Numbers.

17. OTHER CREDIT TERMS: _____

18. RECORDING: The documents evidencing credit (paragraph 3) will be recorded with the county recorder where the Property is located. If not, Buyer and Seller are advised that their respective interests in the Property may be jeopardized by intervening liens, judgments, encumbrances, or subsequent transfers.

19. JUNIOR FINANCING: There will be additional financing, secured by the Property, junior to this Seller financing. Explain: _____

20. SENIOR LOANS AND ENCUMBRANCES: The following information is provided on loans and/or encumbrances that will be senior to Seller financing. NOTE: The following are estimates, unless otherwise marked with an asterisk (*). If checked: A separate sheet with information on additional senior loans/encumbrances is attached.

	1st	2nd
A. Original Balance	\$ _____	\$ _____
B. Current Balance	\$ _____	\$ _____
C. Periodic Payment (e.g. \$100/month):	\$ _____	\$ _____ / _____
Including Impounds of:	\$ _____	\$ _____ / _____
D. Interest Rate (per annum)	_____ %	_____ %
E. Fixed or Variable Rate:	_____	_____
If Variable Rate: Lifetime Cap (Ceiling)	_____	_____
Indicator (Underlying Index)	_____	_____
Margin	_____	_____
F. Maturity Date	_____	_____
G. Amount of Balloon Payment	\$ _____	\$ _____
H. Date Balloon Payment Due	_____	_____
I. Potential for Negative Amortization? (Yes, No, or Unknown)	_____	_____
J. Due on Sale? (Yes, No, or Unknown)	_____	_____
K. Pre-payment penalty? (Yes, No, or Unknown)	_____	_____
L. Are payments current? (Yes, No, or Unknown)	_____	_____

21. BUYER'S CREDITWORTHINESS: (CHECK EITHER A OR B. Do not check both.) In addition to the loan application, credit report and other information requested under paragraph 2:

- A. No other disclosure concerning Buyer's creditworthiness has been made to Seller;
- OR B. The following representations concerning Buyer's creditworthiness are made by Buyer(s) to Seller:

Borrower	Co-Borrower
1. Occupation _____	1. Occupation _____
2. Employer _____	2. Employer _____
3. Length of Employment _____	3. Length of Employment _____
4. Monthly Gross Income _____	4. Monthly Gross Income _____
5. Other _____	5. Other _____

22. ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to close of escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

Buyer's Initials: *UJ TJHS*

Seller's Initials: *GB*



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Property Address: 24000 Potter Rd, Salinas, CA 93908-8734

Date: 8/18/2020

23. CAUTION:

- A. If the Seller financing requires a balloon payment, Seller shall give Buyer written notice, according to the terms of Civil Code §2966, at least 90 and not more than 150 days before the balloon payment is due if the transaction is for the purchase of a dwelling for not more than four families.
- B. If any obligation secured by the Property calls for a balloon payment, Seller and Buyer are aware that refinancing of the balloon payment at maturity may be difficult or impossible, depending on conditions in the conventional mortgage marketplace at that time. There are no assurances that new financing or a loan extension will be available when the balloon prepayment, or any prepayment, is due.
- C. If any of the existing or proposed loans or extensions of credit would require refinancing as a result of a lack of full amortization, such refinancing might be difficult or impossible in the conventional mortgage marketplace.
- D. In the event of default by Buyer: (1) Seller may have to reinstate and/or make monthly payments on any and all senior encumbrances (including real property taxes) in order to protect Seller's secured interest; (2) Seller's rights are generally limited to foreclosure on the Property, pursuant to California Code of Civil Procedure §580b; and (3) the Property may lack sufficient equity to protect Seller's interests if the Property decreases in value.

If this three-page Addendum and Disclosure is used in a transaction for the purchase of a dwelling for not more than four families, it shall be prepared by an Arranger of Credit as defined in California Civil Code §2957(a). (The Arranger of Credit is usually the agent who obtained the offer.)

Arranger of Credit - (Print Firm Name) _____ By _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Phone _____ Fax _____

BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT BROKERS: (A) WILL NOT PROVIDE LEGAL OR TAX ADVICE; (B) WILL NOT PROVIDE OTHER ADVICE OR INFORMATION THAT EXCEEDS THE KNOWLEDGE, EDUCATION AND EXPERIENCE REQUIRED TO OBTAIN A REAL ESTATE LICENSE; OR (C) HAVE NOT AND WILL NOT VERIFY ANY INFORMATION PROVIDED BY EITHER BUYER OR SELLER. BUYER AND SELLER AGREE THAT THEY WILL SEEK LEGAL, TAX AND OTHER DESIRED ASSISTANCE FROM APPROPRIATE PROFESSIONALS. BUYER AND SELLER ACKNOWLEDGE THAT THE INFORMATION EACH HAS PROVIDED TO THE ARRANGER OF CREDIT FOR INCLUSION IN THIS DISCLOSURE FORM IS ACCURATE. BUYER AND SELLER FURTHER ACKNOWLEDGE THAT EACH HAS RECEIVED A COMPLETED COPY OF THIS DISCLOSURE FORM.

Buyer: Tom Swartz Tom Swartz Calamus Brands, Inc. Date 8/18/2020
 (signature) _____ City _____ State _____ Zip _____
 Address _____
 Phone _____ Fax _____ E-mail _____

Buyer: [Signature] _____ Date 8/18/2020
 (signature) _____ City _____ State _____ Zip _____
 Address _____
 Phone _____ Fax _____ E-mail _____

Seller: Salvador Barreras CV Transportation Date 8-18-2020
 (signature) _____ City Salinas State CA Zip 93908
 Address 24000 Potter Rd
 Phone (831)206-8290 Fax _____ E-mail tsa@barreras@gmail.com

Seller _____ Date _____
 (signature) _____ City _____ State _____ Zip _____
 Address _____
 Phone _____ Fax _____ E-mail _____



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Property Address: 24000 Potlter Rd, Salinas, CA 93908-9724

Date:

01/18/2020

IMPORTANT SELLER FINANCING DISCLOSURE - PLEASE READ CAREFULLY

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) has made significant and important changes affecting seller financing on residential properties. Effective January 10, 2014, sellers who finance the purchase of residential property containing 1-4 units may be considered "loan originators" required to comply with certain Truth In Lending Act ("TILA") requirements. Even under Dodd-Frank however, the following two exemptions exist:

1. The seller finances only **ONE** property in any 12 month period and:
 - a. The seller is a natural person, a trust or an estate, and
 - b. The seller did not construct the property, and
 - c. The financing has a fixed rate or does not adjust for the first 5 years, and
 - d. The financing does not result in negative amortization.

OR

2. The seller finances no more than **THREE** properties in any 12 month period and:
 - a. The seller is a natural person or organization (corporation, LLC, partnership, trust, estate, association, etc.), and
 - b. The seller did not construct the property, and
 - c. The loan is fully amortized, i.e., no balloon payment, and
 - d. The financing has a fixed rate or does not adjust for the first 5 years, and
 - e. The borrower has the reasonable ability to repay the loan.

Sellers who finance the purchase of residential property containing 1-4 units meeting either of the two exemptions are not subject to the TILA requirements above may continue to, and are required by California Law to, use the Seller Financing Addendum.

Sellers who finance the purchase of residential property containing 1-4 units who do not meet either of the two tests above should still complete the Seller Finance Addendum and speak to a lawyer about other TILA disclosures that may be required.

Sellers who finance the purchase of residential property containing 5 or more units, vacant land, or commercial properties are not subject to the TILA disclosures nor are they required to use the Seller Financing Addendum.

A seller who originates a single extension of credit through a mortgage broker and additionally meets the definition of a "high-cost" mortgage under Dodd-Frank may be subject to the Truth in Lending Act's requirement to verify the borrower's ability to repay.

Buyer's Initials X:


Seller's Initials X:

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SELLER FINANCING ADDENDUM AND DISCLOSURE (SFA PAGE 4 OF 4)

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14999 Potlter Rd

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CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM (C.A.R. Form ADM, Revised 12/15)



No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [X] Purchase Agreement, [] Residential Lease or Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [] Other 8/18/2020 dated 8-18-2020, on property known as 24000 Potter Rd

Salinas, CA 93905-9734 in which Calamus Brands, Inc. is referred to as ("Buyer/Tenant") and CV Transportation is referred to as ("Seller/Landlord").

- 1. Sale is subject to buyers able to receive a CUP (Conditional Use Permit) from Monterey County.
2. Buyers upon when they Sale the property, Seller will receive 5% of the gross sales.
3. Seller to remain on the property after the COE and will continue to operate and live on the property until first planting or 60 day notice.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document. Date 8/18/2020 Date 8-18-2020 Buyer/Tenant X [Signature] Seller/Landlord X Salvador Borrero Calamus Brands, Inc. CV Transportation Buyer/Tenant [Signature] Seller/Landlord [Signature]

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CALIFORNIA
ASSOCIATION
OF REALTORS®

**REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE
(FOR BUYER REPRESENTATIVES)**

(C.A.R. Form RCSD-B, Revised 6/20)

This form is not an assignment. It should not be used to add new parties after a contract has been formed. The purpose of this form is to identify who the principal is in the transaction and who has authority to sign documents on behalf of the principal.

This is a disclosure to one or more of the following: Purchase Agreement, Buyer Representation Agreement, or Other Agreement, specified below in which Celamus Brands, Inc.

is identified as "Buyer". If a trust, identify Buyer as the trustee(s) of the trust or by simplified trust name (e.g. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust 3.). Full name of trust should be identified in 1A below. If power of attorney, insert principal's name as Buyer.

1. A. TRUST: (1) Assets used to acquire/lease the Property are held in trust pursuant to a trust document titled (Name of trust: _____)
 (2) The person(s) signing below is/are Sole/Co/Successor Trustee(s) of the Trust.
- B. ENTITY: Buyer is a Corporation, Limited Liability Company, Partnership Other: _____ which has authorized the officer(s), managing member(s), partner(s) or person(s) signing below to act on its behalf. An authorizing resolution of the applicable body of the entity described above is is not attached.
- C. POWER OF ATTORNEY: Buyer ("Principal") has authorized the person(s) signing below ("Attorney-in-Fact", "Power of Attorney" or "POA") to act on his/her behalf pursuant to a General Attorney (Specific Power of Attorney for the Property), dated _____. This form is not a Power of Attorney. A Power of Attorney must have already been executed before this form is used.
- D. ESTATE: (1) Buyer is an conservatorship, or guardianship identified by Superior Court Case name as _____, Case # _____
 (2) The person(s) signing below is/are court approved representatives (whether designated as Sole or Co-Executor, Administrator, Conservator, Guardian) of the estate, conservatorship or guardianship identified above.

2. Buyer's Representative represents that the trust, entity or power of attorney for which that Party is acting already exists.

Buyer: Lori Livecich Tom Olmstead Date: 8/18/2020

(Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)
 (Print Representative Name) Lori Livecich, Tom Olmstead Title: Owner

By: Ray SanMiguel Chacon, David Shin Date: 8/18/2020

(Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)
 (Print Representative Name) Ray SanMiguel Chacon, David Shin Title: Owner

Acknowledgement of Receipt By Other Party:

AT TIME OF SALE	
Buyer and _____	CV Transportation ("Seller") are parties to a
Purchase Agreement dated <u>08/18/2020</u>	for property known as <u>24000 Potter Rd, Salinas, CA 93908-9734</u>
Seller <u>Salvador Barrera</u>	Date <u>8-18-2020</u>
CV Transportation	
Seller _____	Date _____

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 RCSD-B REVISED 6/20 (PAGE 1 OF 2)



REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (RCSD-B PAGE 1 OF 2)

California Real Estate Brokerage - Central Region, 126 Clark Tower Plaza, Ste 100, Central CA 95923 Phone: (916) 326-1119 Fax: (916) 624-2228 24999 Potter Rd
 Susan Thomas Produced with pdfForm by iPLLegal 18070 Filbert Mile Road, Foster, Michigan 48326 800.822.0025

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AT TIME OF BUYER REPRESENTATION AGREEMENT
 Buyer and Coldwell Banker Realty ("Buyer's Broker") are parties to a Buyer Representation Agreement dated 08/18/2020.

Real Estate Broker Coldwell Banker Residential Brokerage

By Susan Thomas Date 8/18/2020 | 10:51 AM PCF
 Susan Thomas

AT TIME OF ASSIGNMENT OF AGREEMENT
 Buyer and _____, the originally named buyer ("Assignor") are parties to an Assignment of Agreement Addendum dated 08/18/2020.

Assignor and CV Transportation ("Seller") are parties to a Purchase Agreement or Other: CPA, which is being assigned to Buyer.

Assignor _____ Date _____
 By _____ Date _____

Seller CV Transportation
 By _____ Date _____

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REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (RCSD-B PAGE 2 OF 2)

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ADVISORY REGARDING COMPLETING DOCUMENTS ELECTRONICALLY

PLEASE READ THE FOLLOWING IMPORTANT INFORMATION REGARDING SIGNING DOCUMENTS ELECTRONICALLY.

During a real estate transaction, you may be asked to sign various documents electronically if you are willing to use that method. Because of the nature of electronic documents, it is possible to skip from one signature line to the next, making it easy to ignore the language of the paragraph(s) to which a signature or initials apply. Because of this feature of electronic signatures, it is important that you read and understand the following recommendations:

1. **PLEASE READ EACH DOCUMENT:** It is important that you read and understand each transaction document prior to initialing any paragraphs or pages or signing the document where indicated. You should take the time to thoroughly read through each document and make sure that you understand what you are signing, just as you should do if you were signing paper versions of these documents.
2. **TAKE YOUR TIME:** Although there may be a temptation to just skip from one place indicated for your signature to the next because of the convenient way that electronic documents are formatted, please **TAKE YOUR TIME**. Review the entire document before initialing or signing it.
3. **OPTIONAL SIGNATURES OR INITIALS:** If there is an indication that a signature or initial is optional, such as for the Liquidated Damages and Arbitration paragraphs, please take your time to consider whether or not you want to sign/initial any of those paragraphs so as to make it a part of the contract.
4. **MORE THAN ONE SIGNER:** If more than one person is required to sign the documents, it is essential that each party separately affix their signatures where indicated on each document.
5. **QUESTIONS OR CONCERNS:** If you have any questions or concerns it is important that you call or email your real estate professional or if you need legal, tax or insurance advice, be certain to consult the appropriate professional(s).

I acknowledge receipt and I have carefully read this Advisory.

Seller/Landlord: Salvador Barrera Date: 8-18-2020
CV Transportation
 Seller/Landlord: _____ Date: _____
 Buyer/Tenant: Lori Lizzio Date: _____
Colamus Brands, Inc.
 Buyer/Tenant: [Signature] Date: _____

ASSUMPTIONS AND LIMITING CONDITIONS

Assumptions and Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. KWA APPRAISAL (KWA) is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. KWA APPRAISAL (KWA), however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. It is assumed that improvements have been constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

Unless otherwise specifically noted in the body of this report, it is assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. KWA APPRAISAL (KWA) professionals are not engineers and are not competent to judge matters of an engineering nature. KWA APPRAISAL (KWA) has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of KWA APPRAISAL (KWA) by ownership or management; KWA APPRAISAL (KWA) inspected less than 100% of the entire interior and exterior portions of the improvements; and KWA APPRAISAL (KWA) was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, KWA APPRAISAL (KWA) reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. KWA APPRAISAL (KWA) has no knowledge of the existence of such materials on or in the property. KWA APPRAISAL (KWA), however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to KWA APPRAISAL (KWA). This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, KWA APPRAISAL (KWA) has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, KWA APPRAISAL (KWA) reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify KWA APPRAISAL (KWA) of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions, which occur subsequent to the date of the appraisal. However, KWA APPRAISAL (KWA) will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. KWA APPRAISAL (KWA) assumes no private deed restrictions, limiting the use of the subject property in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. KWA APPRAISAL (KWA) is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. KWA APPRAISAL (KWA) does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of KWA APPRAISAL (KWA).
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of KWA APPRAISAL (KWA) to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of KWA APPRAISAL (KWA) nor may this report or copies hereof be transmitted to third parties without said consent, which consent KWA APPRAISAL (KWA) reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of

KWA APPRAISAL (KWA) which consent KWA APPRAISAL (KWA) reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. KWA APPRAISAL (KWA) shall have no accountability or responsibility to any such third party.

15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to KWA APPRAISAL (KWA) unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. KWA APPRAISAL (KWA) assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor KWA APPRAISAL (KWA) assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. KWA APPRAISAL (KWA) assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, KWA APPRAISAL (KWA) has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since KWA APPRAISAL (KWA) has no specific information relating to this issue, nor is KWA APPRAISAL (KWA) qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.

SPECIFIC ASSUMPTIONS AND LIMITING CONDITIONS

1. The estimate of marketing time is 9-15 months based upon such items as statistical information about days on market; information gathered through sales verification; interviews of marketing participants; and anticipated changes in market conditions. The reasonable marketing time is a function of price, time, use, and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.
2. This appraisal has been prepared based on the assumption that the subject property will be fully leased upon completion of construction and therefore, lease up costs and downtime will be absorbed by the owner during construction. Every effort has been made to verify all information used within this report; however, it was in some instances necessary for KWA APPRAISAL (KWA) to make critical assumptions to complete this assignment. KWA APPRAISAL (KWA) reserves the right to amend its opinion of value at a later date should information become available which would significantly change the stated opinion of values.
3. All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present time. All opinions are expressed as of the date of value, unless specifically noted.

The research and preparation of this appraisal took place from May 20, 2021 through June 13, 2021. The effective date of valuation is May 28, 2021. There are no events that must occur between the date of last inspection of the subject property and the date of valuation in order to conclude the value reported herein. Thus, the reported value is predicated on the specific assumption that the status of the property as of the date of valuation is not materially different that it was on the date of KWA APPRAISAL (KWA)' last inspection of the subject property. The appraisal is based on real estate and economic conditions as best perceived as of the date of the report.

4. The report and parts thereof and any additional material submitted, may not be used in any prospectus or printed material used in conjunction with the sale of securities or participation interests in Public Offering as defined under U.S. Security laws. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior consent of KWA APPRAISAL (KWA). The use of all or any part of this report in connection with real estate tax shelters, syndication of interests in real estate, the offering of securities, shares or partnership interests in real estate or any other public or private offering without the specific written consent of KWA APPRAISAL (KWA) is not authorized. Neither the whole, nor any part of this report, nor any reference thereto may be included in any document, statement, and appraisal or circular without the signatories' prior written approval of the form and context in which it is to appear.
5. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect unless detailed geologic reports are made available.
6. Any "after tax" income or investment analysis and resultant measures of return on investment are intended to reflect only the possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid. Any stated conclusion referred to as "Investment Value" should not be construed as being representative of "Market Value" since the prospectus of the Client may be based upon individual investment requirements, as distinguished from the concept of market value, which is impersonal and detached. Market value and investment value may coincide when a client's investment criteria are consistent with prevailing market trends and conditions. In this instance, the two value estimates may be numerically identical, but the two types of value are not interchangeable. KWA APPRAISAL (KWA) does not claim expertise in tax matters and advises the client to seek competent tax advice from a qualified income tax advisor.
7. The reasonable exposure time is 6-12 months based on current market conditions. The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. We also recognize the exposure time is different for various types of real estate and under various market conditions and that the reasonable exposure time should always incorporate the answer to the question, "For what kind of real estate at what value range?" rather than appear as a statement of an isolated time period.
8. This study is not being prepared for use in connection with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal. If, as a result of this undertaking, KWA APPRAISAL (KWA) or any of its principals, its appraisers or consultants are requested or required to provide any litigation services, such shall be subject to the provisions of KWA APPRAISAL (KWA)' engagement letter or, if not specified therein, subject to the reasonable availability of KWA APPRAISAL (KWA) and/or said principals or appraisers at the time and shall further be subject to the party or parties requesting or requiring such services paying the then-applicable professional fees and expenses of KWA APPRAISAL (KWA) either in accordance with the provisions of the engagement letter or arrangements at the time, as the case may be.
9. All data considered significant that was requested for this assignment was received by KWA APPRAISAL (KWA).

ENGAGEMENT LETTER



May 26, 2021

Lori Livachich
Lori@Vortextennis.com

Re: Narrative Appraisal Report – “As-Is”
24000 Potter Road, Salinas, Monterey County, CA 93908
APN: 137-051-021-000

Inspection: May 27, 2021, Time 3-3:30pm

Dear Ms. Livachich:

I would like to thank you for the opportunity to submit the following proposal for your consideration and approval.

Purpose and Function of Appraisal

The purpose of the assignment is to prepare a Narrative Appraisal Report for the “As-Is” fair market value of the above-named property. The function of the appraisal is for estimating “As-Is” fair market value of the subject property for finance planning purposes. The appraisal is for use by the our client and designees; no other users are intended for the report.

Values Derived

The subject property “As-Is” fair market value will have an effective date as of the date of inspection May 27, 2021.

Scope of Work and Type of Report

I will make an investigation of matters pertinent to the “As-Is” fair market value, the Sales Approach. I will present an appraisal report that describes my scope of work and contains the methods by which I arrived at the market value. *An a priori* mutually agreeable scope of work given the risk of this transaction is outlined in the attached Scope of Work addendum contained within the report prepared. The report will be prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). Kimberly H. White will be the Appraiser and may be assisted by professional staff.

Fee and Timing

I propose to complete the work, as outlined above, within approximately 2-3 weeks from inspection assuming that the signed engagement letter is provided to me in a timely manner and no extraordinary circumstances arise during the appraisal process.

Professional fees for the assignment will be a total of _____ for the appraisal (client discount has been applied).

The full fee, with a signed copy of this engagement letter/contract is required at the time of inspection unless other arrangements have been made. See Page 3 for Methods of Payment.

In the event that the client desires to cancel this appraisal assignment, written notice of the same shall be delivered to Kimberly White, who shall receive compensation for all services completed as of the date of receipt of the cancellation.

Assumptions and Conditions

All appraisals will be subject to normal assumptions and conditions, and by acceptance of this proposal you agree to accept those assumptions and limiting conditions. You may use the report solely for the purpose and function as stated above. *Any other use is strictly prohibited*, and you agree to indemnify Kimberly White for any consequential damages or legal fees resulting from unauthorized use. I own the copyrighted appraisal report and the data analyzed and compiled, and may release the appraisal report, less any personal information removed to protect my client, for purposes of providing samples of the work to prospective clients or any other legal purpose.

If the scope of work and terms described above are satisfactory, please sign below, acknowledging your acceptance of this agreement between you and Kimberly White. Thank you for considering me for your appraisal needs. Please call should you have any questions.

I look forward to working with you.

Kim H. White, CREA-AG, CGPB, CCAC

Certified General Appraiser
State of California, License #032137

Agreed and Accepted:	
_____ Client and/or Authorized Representative	_____ Dated

PROFESSIONAL QUALIFICATIONS

PROFESSIONAL QUALIFICATIONS OF KIMBERLY H. WHITE

Certified General R.E. License # AG032137
 Certified Green Building Professional (CGBP)
 Commercial Cost Approach Certified (CCAC)

EXPERIENCE:

1999 - Present	<p><u>President/Owner</u> <i>KWA APPRAISAL, Huntington Beach, CA</i> Providing collateral risk management, valuation and assessment for a broad range of property types from general use commercial to multi-million dollar municipal structures for public and private sector interests.</p>
2007 - Present	<p><u>Commercial Appraiser</u> <i>VALUATION ADVISORY GROUP, Irvine, California</i> Valuation of commercial dwellings for office, industrial, retail, multi-family and other complex projects for financial institutions, developers, attorneys, local, state and federal agencies.</p>
2007 - 2015	<p><u>Commercial Appraiser</u> <i>ALLIANT BUSINESS SERVICES, Irvine, CA</i> Provided a full range of valuations, research and consulting services on all major categories of real estate including replacement cost for: wastewater treatment plants, airports, professional athletic stadiums, marinas, casinos, amusement parks and prisons.</p>
2005 - 2007	<p><u>Staff Commercial Appraiser</u> <i>WASHINGTON MUTUAL BANK, Irvine, California</i> Institutional Commercial Appraisal of dwellings with values of \$1,000,000+.</p>

PROFESSIONAL LICENSES:

State of California Certified General Real Estate Appraiser (AG032137)
 California Real Estate Salesperson (01270923) - NAR Green Designee
 Certified Green Building Professional (CGBP)
 Commercial Cost Approach Certified (CCAC)
 Associate of Science (A.S.), Business Administration

DISCIPLINES:

<i>Type</i>	<i>Sample Experience</i>
Retail	Car Wash Facilities/Golf Courses/General Retail
Office	Office/Tenant/Medical Structures
Industrial	Warehouses
Apartment	Multifamily/Hotels/Motels
Mixed-Use	Retail/Residential
Leaschold	Net Lease Investments

Samples of valuation projects include:

- City and Counties (Public Schools, Prisons, Civic Centers)
- Wastewater Treatment Plants
- International, Municipal & Private Airports
- Community Centers
- Estates & Tax Purpose
- Special Use and Mixed-Use Properties

**PROFESSIONAL
LICENSES AND
EDUCATION:**

State of California Certified General Real Estate Appraiser (AG032137)
California Real Estate Salesperson (01270923)

Associate of Science, Business Administration
Irvine Valley College, Year 2000

**RELATED
COURSEWORK:**

Methods, Principles, & Techniques (1998)
Real Estate Principles (1998)
Micro Economics (1999)
Legal Environment of Business (1997)
Marshall & Swift Cost Estimation (2006)
Uniform Standards of Professional Practice and Ethics (2003)
Appraisal Mathematics (2006)
Fair Housing (2007)
Capitalization Theory & Cash Flow (2006)
Apartment Appraisal (2006)
Risk Management (2007)
Agency Relationship, Duties & Disclosure (2007)
Federal & State Laws & Regulations (2007)
Environmental Pollution and Mold (2007)

SPECIALIZATION:

<i>Type</i>	<i>Sample Experience</i>
Retail	Car Wash Facilities/Golf Courses
Office	Office/Tenant Structures
Industrial	Warehouses
Apartments	Hotels/Motels
Mixed-Use	Art Galleries
Leasehold	Net Lease Investments

Samples of insurance valuation projects include:

- City and Counties (public schools, prisons, civic centers)
- Wastewater Treatment Plants
- Community Centers
- Residential properties
- Large scale apartment communities
- Estates
- Special use and mixed use properties

Extensive Information Technology background having worked in the mid-range arena as both a Business Analyst and Project Manager.



QUALITY PRODUCT, PERSONAL SERVICE

That's our commitment to our clients. *KWA Appraisal* is a full service valuation firm specializing in appraisal reports for mortgage lending and non-lending purposes.

Our services encompass, but are not limited to the following:

- *Industrial/Office/Mixed Use/Retail*
- *Single Family Residential & Residential Income Properties*
- *Multi-Family Units ~ 71A & 71B Form or Narrative*
- *Prospective Value/ARV (After Rehab/Remodel Valuation)*
- *Partial (Undivided) Interest Valuation*
- *Estate Planning / 706 IRS Valuation / Private Use*
- *Vacant Land - Commercial or Residential*
- *Replacement Cost Valuations for Insurance purposes*
- *Complex Valuation Specialist*

Kim White is a Certified Green Building Professional (CGBP) for the Valuation of Sustainable Buildings and a State Certified General Appraiser (an elite group which has no limitations regarding value or complexity of work).

Kim H. White, CREA-AG, CGBP, CCAC

FEE QUOTES BY REQUEST ~ (714) 717-2939 / Email: KWhite05@aol.com



KWA Appraisal services the Counties of Kern, Orange, Los Angeles, Riverside, San Bernardino, San Diego, Northern California and out-of-state upon request.



STOCK COMPANY	PRO GUARD PLATINUM POLICY DECLARATIONS
VALIDUS SPECIALTY An AIG company	POLICY NUMBER: RE00013507
	Prior Policy Number: RE00005465
<input type="checkbox"/> WESTERN WORLD INSURANCE COMPANY	<input type="checkbox"/> TUDOR INSURANCE COMPANY
<input checked="" type="checkbox"/> STRATFORD INSURANCE COMPANY	

Named Insured and Mailing Address:

Kimberly H White

Agent/Broker #33601

Premium: \$ 851.00

DBA KWA Appraisal
8388 Dory Drive

Huntington Beach, CA 92646

Producer:

Professionals' Best
6780 University Ave
Suite #250
San Diego, CA 92116

Policy Period: (Mo./Day/Yr.)

From: 11/29/2020

To: 11/29/2021

12:01 AM, standard time at your mailing address shown above.

EXCEPT AS MAY OTHERWISE BE PROVIDED IN THE FOLLOWED POLICY, THIS POLICY MAY APPLY ONLY TO CLAIMS FIRST MADE IN ACCORDANCE WITH THE TERMS, CONDITIONS AND REQUIREMENTS OF THE FOLLOWED POLICY; AND THE LIMIT OF LIABILITY IS REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS OR CLAIMS FEES AND EXPENSES. PLEASE READ THE FOLLOWED POLICY AND THIS POLICY CAREFULLY.

ITEM 1. PROFESSIONAL SERVICES:

Real Estate Appraisers

ERRORS AND OMISSIONS LIABILITY INSURANCE		
ITEM 2. LIMIT OF INSURANCE	Each Claim Limit \$ 1,000,000	Aggregate Limit \$ 2,000,000
ITEM 3. DEDUCTIBLE	Each Claim \$ 500	Aggregate \$ 1,000
ITEM 4. RETROACTIVE DATE		11/29/2012
ITEM 5. PREMIUM		\$ 851.00

STATE LICENSE



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Kimberly H. White

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

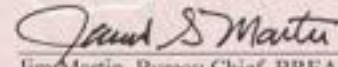
"Certified General Real Estate Appraiser"

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 032137

Effective Date: February 28, 2020

Date Expires: February 27, 2022



Jim Martin, Bureau Chief, BREA

3051560

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"