

PRIVACY NOTICE

Pursuant to the Gramm-Leach-Bliley Act of 1999, Effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

Types of Nonpublic Personal Information We Collect

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

Parties to Whom We Disclose Information

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us any time if you have any questions about the confidentiality of the information that you provide to us.

APPRAISAL OF



LOCATED AT:

319 Hot Springs Rd
Santa Barbara, CA 93108-2009

CLIENT:

Farmers & Merchants Trust Company
302 Pine Ave-2nd Floor
Long Beach, CA, 90802

AS OF:

January 8, 2018

BY:

Jennifer L. Heath, SRA, AI-RRS

01/08/2018

Thylan N. Nguyen
Farmers & Merchants Trust Company
302 Pine Ave-2nd Floor
Long Beach, CA, 90802

File Number: htspr319pre

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

319 Hot Springs Rd
Santa Barbara, CA 93108-2009

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

In my opinion, the defined value of the property as of January 8, 2018 is:

\$3,000,000
Three Million Dollars

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



Jennifer L. Heath, SRA, AI-RRS

Jennifer L Heath, SRA, AI-RRS
Residential Appraisal Report

File No. htSpr319pre

PURPOSE	The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.			
	Client Name/Intended User Farmers & Merchants Trust Company		E-mail thylan.nguyen@fmb.com	
	Client Address 302 Pine Ave - 2nd Floor	City Long Beach	State CA	Zip 90802
	Additional Intended User(s) Client only.			
Intended Use To assist the client in establishing a fair market value as of 01/08/2018, the day prior to a date of death of Alice L & James C Mitchell and Catastrophic disaster.				

SUBJECT	Property Address 319 Hot Springs Rd		City Santa Barbara	State CA	Zip 93108-2009	
	Owner of Public Record Mitchell Family Trust 08/31/93 c/o Kelly Weimer			County Santa Barbara		
	Legal Description Consult a Preliminary Title Report					
	Assessor's Parcel # 009-070-045		Tax Year 2018		R.E. Taxes \$ 19,470	
	Neighborhood Name Montecito - Lower Village N		Map Reference 996-H2		Census Tract 0007.00	
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						

SALES HISTORY	My research <input checked="" type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.					
	Prior Sale/Transfer: Date		Price		Source(s) Realist - No Transfers	
	Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) The subject property has not transferred within the 36 months prior to the effective date. Sale #2 had a Intrafamily Transfer& Dissolution on 01/19/2017. The remaining comparable sales have not transferred more than once within the last 12 months.					
	Offerings, options and contracts as of the effective date of the appraisal None					

NEIGHBORHOOD	Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
	Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining			PRICE AGE		One-Unit 65 %	
	Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply			\$(000) (yrs)		2-4 Unit 5 %	
	Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths			1,100 Low 1		Multi-Family %	
	Neighborhood Boundaries North: Hot Springs Rd; South: Coast Village Rd; East: Olive Mill Rd; West: Hot Springs Rd.			15,000 High 130		2,675 Pred. 35		Commercial 20 %	
	Neighborhood Description See Attached Addendum			Other Vacant 10 %					
Market Conditions (including support for the above conclusions) See Attached Addendum									

SITE	Dimensions Irregular		Area 33541		Shape Irregular		View Garden Setting			
	Specific Zoning Classification 2-E-1		Zoning Description Residential - 1 SFR per 2 acre site							
	Zoning Compliance <input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)		Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							
	Utilities Public <input checked="" type="checkbox"/> Other (describe) <input type="checkbox"/>		Public <input checked="" type="checkbox"/> Other (describe) <input type="checkbox"/>		Off-site Improvements—Type			Public <input checked="" type="checkbox"/> Private <input type="checkbox"/>		
	Electricity <input checked="" type="checkbox"/> <input type="checkbox"/>		Water <input checked="" type="checkbox"/> <input type="checkbox"/>		Street Asphalt			<input checked="" type="checkbox"/> <input type="checkbox"/>		
Gas <input checked="" type="checkbox"/> <input type="checkbox"/>		Sanitary Sewer <input checked="" type="checkbox"/> <input type="checkbox"/>		Alley None			<input type="checkbox"/> <input type="checkbox"/>			
Site Comments See Attached Addendum										

IMPROVEMENTS	GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials		INTERIOR materials		
	Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One w/Acc. unit <input type="checkbox"/>		<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space		Foundation Walls Concrete/Average		Floors Wd.Tile,Cpt/Good		
	# of Stories 1		<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls Stucco/Very Good		Walls Drywall/Avg-Good		
	Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit		Basement Area 0.0000 sq.ft.		Roof Surface Clay Tile,PVC/Good		Trim/Finish Mixed/Avg-Good		
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish 0 %		Gutters & Downspouts Aluminum/Avg-Good		Bath Floor Tile/Avg-Good		
	Design (Style) Spanish		<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type Vinyl/Excellent		Bath Wainscot Tile/Avg-Good		
	Year Built 1968				Storm Sash/Insulated No/Yes		Car Storage <input type="checkbox"/> None		
	Effective Age (Yrs) 20				Screens Yes		<input checked="" type="checkbox"/> Driveway # of Cars 6		
	Attic <input checked="" type="checkbox"/> None		Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HW <input type="checkbox"/> Radiant		Amenities <input type="checkbox"/> WoodStove(s) #0		Driveway Surface Concrete		
	<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input type="checkbox"/> Other Fuel Gas		<input checked="" type="checkbox"/> Fireplace(s) # 2 <input checked="" type="checkbox"/> Fence Chain link		<input checked="" type="checkbox"/> Garage # of Cars 2		
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle		Cooling <input checked="" type="checkbox"/> Central Air Conditioning		<input checked="" type="checkbox"/> Patio/Deck Mixed <input checked="" type="checkbox"/> Porch Tile		<input checked="" type="checkbox"/> Carport # of Cars 2			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other Solar		<input type="checkbox"/> Pool <input type="checkbox"/> Other		<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in			
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)									
Finished area above grade contains: 9 Rooms 3 Bedrooms 3.0 Bath(s) 3,459 Square Feet of Gross Living Area Above Grade									
Additional Features See Attached...									

Comments on the Improvements Recent upgrades include: Refinished pool, replaced/upgraded/repared walkways, landscaping, exterior stucco, front privacy wall, paint, plumbing, garage doors, artificial turf, windows, removed carpeting and installed hardwood flooring, quartz kitchen counters, HVAC system, ducting, ash cleaning, roof, solar system, etc. The kitchen and bath were dated with no recent upgrades other than the kitchen counters. Approximately \$200,000 was spent on recent upgrades. Physical depreciation reflects normal wear and tear.									

Jennifer L Heath, SRA, AI-RRS
Residential Appraisal Report

File No. htspr319pre

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
319 Hot Springs Rd Address Santa Barbara, CA 93108-2009		137 Olive Mill Rd Santa Barbara, CA 93108-2423		460 Pimiento Ln Santa Barbara, CA 93108-1207		1407 School House Rd Santa Barbara, CA 93108-1237	
Proximity to Subject		0.40 miles SE		0.58 miles NE		0.38 miles NE	
Sale Price	\$		\$ 1,830,000		\$ 3,089,000		\$ 2,412,500
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 1,282.41 sq. ft.		\$ 1,205.23 sq. ft.		\$ 767.33 sq. ft.	
Data Source(s)		SBMLS #17-3687;DOM 7		SBMLS #17-2907;DOM 37		SBMLS #17-3263;DOM 25	
Verification Source(s)		#62044 12/22/2017		#60410 12/15/17		Agent #57709 12/11/17	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+() \$ Adjustment	DESCRIPTION	+() \$ Adjustment	DESCRIPTION	+() \$ Adjustment
Sale or Financing		ArmLth	0	ArmLth	0	ArmLth	0
Concessions		Cash:0	0	Conv:0	0	Cash:0	0
Date of Sale/Time		s12/17;c11/17	0	s12/17;c10/17	0	s12/17;c11/17	0
Location	Busy Road	Busy Road	0	Residential	-250,000	Shrd Drwy/InterLot	-100,000
Leasehold/Fee Simple	Fee Simple	Fee Simple	0	Fee Simple	0	Fee Simple	0
Site	33541/28850	17860 sf	150,000	20038 sf	100,000	1.30 ac/1.3 ac	-250,000
View	Garden Setting	Garden Setting	0	Garden Setting	0	Garden Setting	0
Design (Style)	Spanish	Ranch	0	Craftsman Cottage	0	Ranch	0
Quality of Construction	Average-Good	Average	250,000	Average-Good	0	Average	250,000
Actual Age	50	63	0	30	0	63	0
Condition	Average-Good	Average-Good	0	Good	-250,000	Average	250,000
Above Grade	Total Bdrms Baths	Total Bdrms Baths	0	Total Bdrms Baths	0	Total Bdrms Baths	0
Room Count	9 3 3.0	6 3 2.0	20,000	6 3 2.1	10,000	9 5 3.0	20,000
Gross Living Area 175	3,459 sq. ft.	1,427 sq. ft.	355,500	2,563 sq. ft.	157,000	3,144 sq. ft.	55,000
Basement & Finished Rooms Below Grade	0sf	0sf	0	0sf	0	0sf	0
Functional Utility	Adequate	Adequate	0	Remodeled	0	Irreg Firpln Updated	50,000
Heating/Cooling	FWA C/Air	FWA None	5,000	FWA None	5,000	FWA None	5,000
Energy Efficient Items	Solar/Mdrn Effcncy	Modern Efficiency	15,000	Modern Efficiency	15,000	Modern Efficiency	15,000
Garage/Carport	2 Garage/2 Carports	2 Car Garage	20,000	2 Car Garage	20,000	2 Carports	50,000
Porch/Patio/Deck	Patio/Porch	Patio/Porch	0	Deck/Patio/Porch	0	Patio/Porch	0
Neighborhood	Lower Village N	Lower Village	0	Montecito Central	0	Montecito Central	0
Accessory Units	None	None	0	None	0	None	0
Pool,spa,etc/Lndsc	Pool,Spa/Good	None/Average	300,000	None/Avg-Good	200,000	None/Average	300,000
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 1,115,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 7,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 645,000
Adjusted Sale Price of Comparables		Net Adj. 61.0%		Net Adj. 0.2%		Net Adj. 26.7%	
		Gross Adj. 61.0%	\$ 2,945,500	Gross Adj. 32.6%	\$ 3,096,000	Gross Adj. 55.8%	\$ 3,057,500

Summary of Sales Comparison Approach See Attached Addendum

COST APPROACH TO VALUE	
Site Value Comments	See Attached Addendum
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 1,100,000
Source of cost data Local contractors & builders/Building-cost.net	Dwelling 3,459 Sq. Ft. @ \$ 525 = \$ 1,815,975
Quality rating from cost service Good Effective date of cost data 01/2018	474 Porte-Cochere Sq. Ft. @ \$ 60 = \$ 28,440
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Pool & Spa = \$ 125,000
No functional obsolescence was noted at the time of the site inspection. The effective age of the subject improvement is estimated to be 20 years with a total physical life of 85 years and therefore the depreciation is estimated to be 24%.	Garage/Carport 578 Sq. Ft. @ \$ 100 = \$ 57,800
External obsolescence is allocated 100% to the site value estimate.	Total Estimate of Cost-New = \$ 2,027,215
	Less 85 Physical Functional External
	Depreciation \$476,991 = \$ (476,991)
	Depreciated Cost of Improvements = \$ 1,550,224
	"As-is" Value of Site Improvements . Landscape/Hardscape = \$ 350,000
	INDICATED VALUE BY COST APPROACH = \$ 3,000,200

INCOME APPROACH TO VALUE	
Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0	Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM)	

Indicated Value by: Sales Comparison Approach \$3,000,000 Cost Approach (if developed) \$ 3,000,200 Income Approach (if developed) \$ 0
 See Attached Addendum.

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed subject to the following:

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ 3,000,000 as of 01/08/2018, which is the effective date of this appraisal.

Jennifer L Heath, SRA, AI-RRS
Residential Appraisal Report

File No. htspr319pre

FEATURE	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
319 Hot Springs Rd Address Santa Barbara, CA 93108-2009		1196 Dulzura Dr Santa Barbara, CA 93108			132 Middle Rd Santa Barbara, CA 93108-2456			172 Santa Elena Ln Santa Barbara, CA 93108-2513		
Proximity to Subject		0.47 miles NW			0.51 miles SW			0.39 miles SE		
Sale Price	\$		\$ 2,866,000			\$ 2,405,000			\$ 2,900,000	
Sale Price/Gross Liv. Area	\$	0.00 sq. ft.		\$ 748.30 sq. ft.	\$ 876.46 sq. ft.		\$ 752.07 sq. ft.			
Data Source(s)		SBMLS #17-495;DOM 176			SBMLS #17-1581;DOM 19			SBMLS #17-1274;DOM Unk		
Verification Source(s)		#53808 09/12/17 lpr: 29 sp\$2865760			#38544 08/11/2017			Files #18476 04/19/2017		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment		DESCRIPTION	+(-) \$ Adjustment		DESCRIPTION	+(-) \$ Adjustment	
Sale or Financing		ArmLth	0		ArmLth	0		ArmLth	0	
Concessions		Cash:0	0		Conv:0	0		Conv:0	0	
Date of Sale/Time		s0917;c08/17	0		s08/17;c05/17	0		s04/17;Unk	0	
Location	Busy Road	Some Traffic	-100,000		Shrd Drvwy/InterLot	-100,000		Freeway Noise	-100,000	
Leasehold/Fee Simple	Fee Simple	Fee Simple	0		Fee Simple	0		Fee Simple	0	
Site	33541/28850	35294 sf/29000 sf	0		21344 sf	100,000		33541 sf	-50,000	
View	Garden Setting	Garden Setting	0		Garden Setting	0		Garden Setting	0	
Design (Style)	Spanish	Ranch	0		Spanish	0		Ranch	0	
Quality of Construction	Average-Good	Average	250,000		Average	250,000		Average-Good	0	
Actual Age	50	53	0		30	0		60	0	
Condition	Average-Good	Good	-250,000		Average-Good	0		Average-Good	0	
Above Grade	Total Bdrms Baths	Total Bdrms Baths	0		Total Bdrms Baths	0		Total Bdrms Baths	0	
Room Count	9 3 3.0	9 5 4.0	-20,000		7 3 2.1	10,000		10 6 4.0	-20,000	
Gross Living Area 175	3,459 sq. ft.		3,830 sq. ft.		-65,000		2,744 sq. ft.		125,000	
Basement & Finished Rooms Below Grade	0sf	0sf	0		0sf	0		0sf	0	
Functional Utility	Adequate	Inter Remodel	0		Adequate	0		Adequate	0	
Heating/Cooling	FWA C/Air	FWA None	5,000		FWA None	5,000		FWA None	5,000	
Energy Efficient Items	Solar/Mdrn Effcncy	Modern Efficiency	15,000		Modern Efficiency	15,000		Modern Efficiency	15,000	
Garage/Carport	2 Garage/2 Carports	2 Car Garage	20,000		2 Car Garage	20,000		2 Car Garage	20,000	
Porch/Patio/Deck	Patio/Porch	Patio/Porch	0		Patio/Porch	0		Patio/Porch	0	
Neighborhood	Lower Village N	Montecito Central	0		Lower Village	0		Lower Village E	0	
Accessory Units	None	329 sf PIHse 1ba	-67,500		None	0		None	0	
Pool,spa,etc/Lndsc	Pool,Spa/Good	Pool/Average	215,000		None/Avg-Good	200,000		None/Average	300,000	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 2,500		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 625,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 100,500	
Adjusted Sale Price of Comparables		Net Adj. 0.1%	\$ 2,868,500		Net Adj. 26.0%	\$ 3,030,000		Net Adj. 3.5%	\$ 3,000,500	
		Gross Adj. 35.2%			Gross Adj. 34.3%			Gross Adj. 20.0%		

SALES COMPARISON APPROACH

Summary of Sales Comparison Approach See attached Sales Comparison Analysis Addendum.

Jennifer L Heath, SRA, AI-RRS
Residential Appraisal Report

File No. htsp319pre

FEATURE	SUBJECT	COMPARABLE SALE NO. 7			COMPARABLE SALE NO. 8			COMPARABLE SALE NO. 9				
319 Hot Springs Rd Address Santa Barbara, CA 93108-2009		1059 Summit Rd Santa Barbara, CA 93108-2413			365 Hot Springs Rd Santa Barbara, CA 93108-2009							
Proximity to Subject		0.56 miles SW			0.14 miles NW							
Sale Price	\$		\$ 2,825,000			\$ 3,595,000			\$			
Sale Price/Gross Liv. Area	\$	0.00 sq. ft.	\$ 751.73 sq. ft.		\$ 931.11 sq. ft.			\$ 0.00 sq. ft.				
Data Source(s)		SBMLS #16-1095;DOM 72			SBMLS #16-2138;DOM 126							
Verification Source(s)		#37892 07/28/2016 lpr:18			#65656 12/07/2016 npr ShrDrv							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment		
Sale or Financing Concessions		ArmLth	0		ArmLth	0						
		Conv:0	0		Cash:0	0						
Date of Sale/Time		s07/16:c06/16	0		s12/16:c10/16	0						
Location	Busy Road	FlagLot:PvtLn	-100,000		SomeTrfc,ShrDrv	-100,000						
Leasehold/Fee Simple	Fee Simple	Fee Simple	0		Fee Simple	0						
Site	33541/28850	1.03 ac/40000 sf	-150,000		1.30 ac/1.2 ac	-300,000						
View	Garden Setting	Average Ocean	-50,000		Garden Setting	0						
Design (Style)	Spanish	Spanish	0		Craftsman Ranch	0						
Quality of Construction	Average-Good	Average-Good	0		Average-Good	0						
Actual Age	50	36	0		57	0						
Condition	Average-Good	Average-Fair	500,000		Good	-250,000						
Above Grade	Total Bdrms Baths		Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths			
Room Count	9	3	3.0	-30,000	9	5	4.1	-10,000	9	4	3.1	-10,000
Gross Living Area 175	3,459 sq. ft.			-52,500	3,758 sq. ft.			-70,500	3,861 sq. ft.			-70,500
Basement & Finished Rooms Below Grade	0sf	0sf	0		0sf	0		0sf	0			
Functional Utility	Adequate	Adequate	0		Irrg Flpl '14,02 Rmdl	50,000						
Heating/Cooling	FWA C/Air	FWA None	5,000		FWA C/Air	0						
Energy Efficient Items	Solar/Mdmn Efcncy	Solar/Mdmn Efcncy	0		Modern Efficiency	15,000						
Garage/Carport	2 Garage/2 Carports	3 Car Garage	-25,000		2 Car Garage	20,000						
Porch/Patio/Deck	Patio/Porch	Deck/Patio/Porch	0		Patio/Porch	0						
Neighborhood	Lower Village N	Lower Village W	0		Lower Village N	0						
Accessory Units	None	Cabana 1 ba	-75,000		650 sf 1br1ba Gst	-107,500						
Pool,spa,etc/Lndsc	Pool,Spa/Good	Pool,Spa,Tnns/Avg	100,000		None/Average-Good	200,000						
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 122,500		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 553,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0			
Adjusted Sale Price of Comparables		Net Adj.	4.3%		Net Adj.	-15.4%		Net Adj.	0.0%			
		Gross Adj.	38.5%	\$ 2,947,500	Gross Adj.	31.2%	\$ 3,042,000	Gross Adj.	0.0%	\$ 0		
Summary of Sales Comparison Approach												

SALES COMPARISON APPROACH

Scope of Work, Assumptions and Limiting Conditions

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

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

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

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

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

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.
11. **The ACI General Purpose Appraisal Report (GPAR™) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).**

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

See Attached Addendum

Appraiser's Certification

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

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

Additional Certifications:
See attached addendum.

Definition of Value: Market Value Other Value: _____


Source of Definition: IRS

Fair market value (FMV) is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act and both having reasonable knowledge of the relevant facts

ADDRESS OF THE PROPERTY APPRAISED:

319 Hot Springs Rd
Santa Barbara, CA 93108-2009
EFFECTIVE DATE OF THE APPRAISAL: 01/08/2018
APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 3,000,000

APPRAISER

Signature: 
Name: Jennifer L. Heath, SRA, AI-RRS
State Certification # AR017399
or License # _____
or Other (describe): _____ State #: _____
State: CA
Expiration Date of Certification or License: 03/04/2021
Date of Signature and Report: 02/16/2019
Date of Property Viewing: 02/12/2019
Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view

SUPERVISORY APPRAISER

Signature: _____
Name: _____
State Certification # _____
or License # _____
State: _____
Expiration Date of Certification or License: _____
Date of Signature: _____
Date of Property Viewing: _____
Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view

ADDENDUM

Client: Farmers & Merchants Trust Company

File No.: htSpr319pre

Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

Zip: 93108-2009

This is a retrospective appraisal report with an effective date of 01/08/2018.

DISASTER AREA DISCLOSURE STATEMENT:

The subject property is located within a portion of Santa Barbara County, which has been declared a disaster area per FEMA-5224-FM-CA Thomas Fire Major Disaster Declaration declared on December 5, 2017. Major Disaster Declaration declared on January 02, 2018. Designated Counties (Individual Assistance): Los Angeles, San Diego, Santa Barbara, Ventura. The record breaking Thomas Fire on December 4, 2017 through January 9, 2018, burned more than 281,800 acres spanning Santa Barbara and Ventura counties, destroyed approximately 1063 structures, and damaged 280 structures. The fire devastated vegetation on mountainsides in this area. According to Joe Holland, the Santa Barbara County Assessor, 53 properties were considered to be total losses due to fire in Santa Barbara County (from Carpinteria to Montecito). Many of the properties in Montecito suffered from heavy ash as a result of the debris flow and multiple days of mandatory evacuation.

As of the effective date of this appraisal, the disaster has passed, and the subject site was safe, sound and sanitary for the occupant.

SCOPE OF THE APPRAISAL:

The client requested an appraisal for valuation purposes. A site visit only was completed. Since the subject improvements were destroyed the day following the effective date of this report, and prior to the date of my site inspection, it was necessary to rely on satellite images, internet photos, as well as photographs, videos and floorplan supplied by Kelly Weimer. I also relied on data from the insurance claim regarding surfaces, systems and components and data found on the County of Santa Barbara's web site and public records.

ASSUMPTION: Since the subject improvements were destroyed the day following the effective date of this retrospective appraisal, it was necessary to rely on information described above to understand what the subject's improvements were as of the effective date. Therefore, the final opinion of value is based on the assumption that the subject property was as described in this appraisal report on the effective date.

IDENTITY OF THE CLIENT: Farmers and Merchants Trust Company

INTENDED USER: Client only.

Parties who receive a copy of an appraisal, appraisal review, or appraisal consulting report as a consequence of disclosure requirements applicable to an appraiser's client do not become intended users of the report unless they were specifically identified by the appraiser at the time of the assignment.

No additional Intended Users are identified by the appraiser. The appraiser has not identified any purchaser, borrower or seller as an intended user of this appraisal and no such party should use or rely on this appraisal for any purpose. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use. This appraisal report should not serve as the basis for any purchaser, borrower for any property purchase decision or any appraisal contingency in a purchase agreement relating to the property. This appraisal report is only for the use of the Client and Intended User(s) and for their Intended Use.

INTENDED USE: To assist the client in establishing a fair market value as of 01/08/2018, which is the date prior to the date of death of Alice L and James C Mitchell and a catastrophic disaster, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and definition of market value. No additional intended users are identified by the appraiser.

PURPOSE OF THIS APPRAISAL: The purpose of this appraisal is to develop the following opinions of value:

Retrospective Fair Market Value "As IS"

The IRS defines fair market value as: Fair market value (FMV) is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act and both having reasonable knowledge of the relevant facts.

No assurance is provided that the methodology and/or results of the appraisal will not be successfully challenged by the Internal Revenue Service (IRS).

The engagement letter terms are hereby incorporated into this appraisal.

APPRAISER DECLARATION:

- (a) the appraiser performs appraisals on a regular basis;
- (b) the appraiser is qualified to make appraisals of the subject property;
- (c) the appraiser is not the taxpayer;
- (d) the appraiser was not a party to the transaction;
- (e) the appraiser is not the beneficiary or donee of the subject property;
- (f) the appraiser is not a person who was employed by the client/homeowner nor is employed by the taxpayer;
- (g) the appraiser is not related to any of the foregoing persons under § 267(b) or married to a person who is in a relationship described in § 267(b) with any of the foregoing persons;
- (h) the appraiser is not an appraiser who was regularly used by the client or who is regularly used by the taxpayer or the beneficiary; and
- (i) the appraisal fee is not based on the appraised value of the subject property;

This report is considered to be an APPRAISAL REPORT, which is intended to comply with all report requirements set forth

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by USPAP to produce a credible estimate of Fair Market Value as of the effective date of this appraisal for the subject property. The client has requested that the Sales Comparison Approach be a self-contained analysis. Summary discussions of the Highest and Best Use which was used in the appraisal process to develop the appraiser's opinion of value per instructions of the client. Supporting documentation is retained in the appraiser's file. The appraiser used her training, experience and judgment to determine a scope of work that will produce a credible result. The depth of the discussion contained in this report is specific to the needs of the client for the intended use. Additionally, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I, Jennifer L. Heath, SRA, AI-RRS have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Designated Members. This report is intended to comply with USPAP as of January 1, 2018 through December 31, 2019.

USPAP defines "Credible" - Results requiring support, by relevant evidence and logic to the degree necessary or relative for the intended use.

The Sales Comparison Approach and Cost Approach were analyzed. However, most weight will be given to the Sales Comparison Approach to value, as it is a more reliable method to determine an estimate of market value for the subject property as it reflects the actions of the buyer and seller of this type of property. The Cost Approach generally supports the Sales Comparison Approach, however, it is not as reliable due to the lack of comparable land sales, unreliability of cost data, and physical depreciation. The Income Approach does not apply to single family residential property as market participants do not use the Income Approach to determine value for this type of property. The appraiser collected, verified and analyzed all information applicable to the appraisal assignment. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.

The Highest and Best Use as improved on the effective date, is the current residential use. The subject improvements are not an interim or transitional residential use. After considering the four test of physical possibility, legal permissibility, financial feasibility, and maximum productivity, the Highest and Best Use "As Vacant" is also its current use of residential.

A site inspection was completed on 02/12/2019. The effective date of the appraisal is 01/08/2018. This report was completed on 02/16/2019 and the exterior of the comparable sales were inspected within the last 3 months.

Maximum Time Frame for Legal Actions: Unless the time frame is shorter under applicable law, any legal action or claim relating to the appraisal or Appraiser's services shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement) within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time frame stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time frame stated in this section shall apply to all noncriminal claims or causes of action of any type.

No Assignment of Claims: Legal claims or causes of action relating to the appraisal are not transferable or assignable to a third party, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest.

Precedence of Comments and Conditions:

This report contains comments, conditions and/or certifications added by the signing appraiser, including but not limited to this supplemental addendum. These items shall supersede and take precedence over all other language, requirements or conditions contained in any preprinted and/or third party forms or documents included herein, or incorporated by reference into, the appraisal report

NOTE: The comments are not for use as "boiler plate" within reports. It is hoped they can assist you in understanding the development and reporting process.

Neighborhood Description

The subject property is located in the northern section of the Lower Village area of Montecito. This area has a good appeal, but inferior compared to the Golden Quadrangle area of Montecito. Montecito is known for its many large estate properties and has a strong appeal. There are older historic estates as well as newer estates with large differences in architectural appeal, locational appeal, view amenity, lot size, lot utility, quality of construction, gross living area and amenities. Landscaping amenities can range from basically natural ground cover to award winning or historically significant lush gardens. Below East Valley most properties have setting views, although some have limited ocean, island, city and or mountain views. But above East Valley Road, many properties can have average to excellent city, valley, mountain, and ocean views although some are only garden setting. Lot size and utility varies from site to site. Shopping, public transportation, freeway access and beaches are located within 3 miles of the subject.

Neighborhood Market Conditions

Values for single family residential property on the South Coast of Santa Barbara County, were appreciating from 1997 through September 2005, with brief periods of stabilization. Median sales prices were stable from fall of 2005 through fall of 2008, then declined significantly from 2009 to 2012. The overall trend of median sales prices for 2013 - 2017 has been upward. The median sales price for 2013 was \$925,000; 2014 was \$1,123,000; 2015 was \$1,122,500, and 2016 was \$1,200,000.

End of year Stats for 2017: The Santa Barbara South Coast reflected total listings are down 7.9%. Properties which went into escrow is up 1.8%. Sold properties are up 5.7%. The median sales price is up 8.8% from \$1,149,000 in 2016 to \$1,250,000 in 2017. The median sales price of \$1,250,000 is equal to the median from the peak of values in 2005 and

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higher than every other year since 2000. The median sales price without Hope Ranch and Montecito is up 10.1% from \$999,000 in 2016 to \$1,100,000 in 2017. Average sale prices without Hope Ranch and Montecito are up 9.9% from \$1,260,625 to \$1,385,453. December's median sale price was the highest all year. December's active listings are lowest all year at 262 (high of 418 in June). The average days on the market for the Santa Barbara South Coast closed sales is 52 days. At the end of 2017 the median sales price on the Santa Barbara South Coast is \$1,250,000 which is very close to the peak median prices of 2005 (\$1,240,000) and 2007 (\$1,250,800). According to the California Housing Market Outlook the median price for the state as of December 31, 2017 increased by 4.3% since this time last year, however, this will differ from local market conditions.

Note: Median and average value statistics can be misleading based on quantity of high or low end sales in any given period.

SITE COMMENTS

The legal description was not found on public sources, therefore the client should consult a preliminary title report for the legal description, if required/needed.

There are no adverse encroachments for the subject site. The site is 33,541 sq. ft., however, Hot Springs Rd runs over the southeastern corner of the subject property, which is assumed to be an easement. This easement reduces usable lot area to approximately 28,850 sq. ft. Typical utility easements are presumed to exist. No value is given to the area under or past Hot Springs Road.

The front, rear and side yards are fenced and or walled. The landscaping consists of various mature trees, shrubs, bushes, hedges, ground cover, exotic plants/trees, succulents, and artificial turf. There is automatic irrigation. There is a circular concrete/aggregate driveway, 474 sq. ft. Porte-Cochere near the entry, 204 sq. ft. covered patio, attached 578 sq. ft. 2 car garage, tile front porch, pool & spa with a stamped concrete patio and an outdoor fireplace. The landscaping amenity has a good appeal.

There are garden setting views.

The subject site does not have excess or surplus land due to zoning limitations and actual lot size. The subject's usable and surplus land is bracketed in the Sales Comparison Approach.

The subject property is located in an area which is zoned 2-E-1 which requires a minimum of 2 acres for any newly created site. The subject site is approximately 33,541 sq. ft. and therefore it is considered to be legal, non-conforming which is typical for this area. The Santa Barbara County Code, Chapter 35, County Land Use & Development Code (section 35.101.020, on page 10-5, under residential use) states that if the subject improvements are destroyed, they would be allowed to be 100% rebuilt in the same permitted foot print, with the same bedroom count and under the current building codes, rules and regulations. Please refer to the following link for more detailed information:
http://www.sbcountyplanning.org/permitting/ldpp/auth_reg/ordinances.cfm#chapter35

Additional Features

The subject property is a single-story, Spanish style residence built with and good quality of construction and has an average-good condition rating.

Interior amenities include: Tile flooring in the entry, hallway, kitchen, wine cellar, breakfast area, laundry and family room; carpeting in the office; and hardwood flooring throughout the remainder of the residence. The kitchen has wood cabinetry, quartz counters, tile back splash, Viking range, built-in refrigerator, copper range/hood, and dishwasher. The master bath has fiberglass wainscoting, dual sink, cultured marble counter. The remaining baths have tile or cultured marble counters and fiberglass wainscoting. Other features include: Beam ceilings in some rooms, vinyl clad windows, high ceilings, fireplace, reverse osmosis, forced air gas heating, air conditioning, interior sprinklers, photovoltaic solar panels, wet bar, wrought iron sconces and chandeliers, and a hot water dispenser.

Comments on Sales Comparison

I consulted some of the top agents in Montecito who specialize in Montecito real estate including Dina Landi, Brittany Lough, Barbara Koutnik, Dan Encell, and Susan Pate. I also received floor plans or used my own measurements for most of the comparable sales, which were used in determining room count, bedrooms, baths, above grade area, below or partially below grade area and auxiliary units. I utilized satellite photos to determine usable lot area for each comparable combined with conversations with the brokers, MLS information, County permit information and CRS Data.

In locating the most recent and best available comparable sales, I used CORT and MLS. The search parameters include: Residential property located within the neighborhood boundaries which sold within the 18 months prior to the effective date of this appraisal, with sites which have more than a 10,000 sq. ft. site but less than 1.5 acres, a neutral to limited view amenity, and somewhat similar in overall appeal. The 8 most recent and similar closed sales were included. Sale #1 was only included because it has a very similar location and neighborhood, but overall this property is very inferior compared to the subject property and not the best comparable.

Due to the non-conforming nature of homes in Montecito, and the lack of somewhat similar recent sales, it was necessary to use sales which sold more than 6 months ago, differ in age by more than 8 years, differ in gross living area by more than 15% and differ in location within the neighborhood, site and improvement differences, which required adjustments which exceed 10% line, 15% net and 25% gross. This is expected and typical of the area.

137 Olive Mill Rd is very inferior compared to the subject property. This property is located in the immediate neighborhood boundaries and it has a very similar location, but it has an inferior lot size. The improvement has a similar design/appeal and condition, but inferior quality rating, and very inferior gross living area.

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460 Pimiento Ln is similar compared to the subject property overall. This property has a similar overall neighborhood appeal, but superior location due to the lack of traffic. The site is inferior. The improvement has a similar overall design/appeal and quality rating, but it is superior in condition due to more recent and more extensive remodeling, although it is inferior in gross living area.

1407 School House Rd is inferior compared to the subject property overall. This property has a similar overall neighborhood appeal, but the location is slightly superior, because it is an interior lot and it has a shared driveway. Although School House Rd has some traffic, it is much less than the subject street. and since this property is an interior lot, it is not affected by traffic. The site is superior in lot utility. The improvement has an inferior quality rating, condition and gross living area. The floor plan is irregular, because the kitchen is very small., and one bedroom and bath are accessed off of the laundry room.

1196 Dulzura Dr is inferior compared to the subject property. This property has a similar neighborhood appeal but slightly inferior location due to less traffic. The lot size is similar. The improvement has an inferior quality, but superior condition and gross living area. The interior had a 2012 remodel, but the exterior, systems & components were not. There is a 329 sq. ft. pool house with a full bath which has a contributory value of \$67,500. According to MLS, this property sold for \$2,865,760, and it appears that public records rounded the sales price. The agent reported that the irregular purchase price reflected a credit for repairs. The agent doesn't remember the original negotiated purchase price.

132 Middle Rd is inferior compared to the subject property overall. This property has a similar neighborhood appeal, but there is no traffic exposure, although this is an interior lot off of a shared driveway, so the location is slightly superior. The lot utility is inferior. The improvement has a similar overall design/appeal, and condition rating, but it is inferior in gross living area.

172 Santa Elena Ln is fairly similar compared to the subject property overall. This property has a similar neighborhood appeal, however, this property is located within a close proximity to the freeway. Although there is some noise exposure, it has a superior location due to the lack of traffic. The site is slightly superior in lot utility. The improvement is fairly similar, other than being superior in gross living area.

1059 Summit Rd is slightly inferior compared to the subject property. This property has a similar neighborhood appeal, although this property is accessed off of a private lane and is a flag lot. Overall, the location is slightly superior. The site is superior in utility and the views are slightly superior. The improvement has a similar overall design/appeal and quality rating, but it is very inferior in condition due to deferred maintenance. It is slightly superior in gross living area. There is a 300-500 sq. ft. Cabana with a full bath, which has a contributory value of \$75,000.

365 Hot Springs Rd is superior compared to the subject property. This property is located in the immediate neighborhood and on the subject's street. However,, it is an interior lot accessed off of a shared driveway, so the traffic exposure is less and therefore it has a slightly superior location. The site is superior in lot utility. The improvement is fairly similar design/appeal, and quality rating, but it has a superior good condition rating due to more extensive remodeling in 2002 and 2014. However, the layout is more of the appeal of two single family residences, which does not appeal to many buyer's so an adjustment was made for the irregular floor plan. There is a 650 sq. ft. 1 bedroom, 1 bath guest quarters above the garage, which has a contributory value of \$107,500.

Location adjustments reflects differences in traffic, flag lot/interior lots, shared driveways, private lanes, noise, etc.

Site adjustments reflects adjustments for differences of more than 2000 sq. ft. of usable lot area only, and do not include street or golf course easement area, or moderately to steeply sloping lot area. Utility is diminished by easements, streets, creeks, moderately to steeply sloping lot area, etc.

Views are a major contributor to site value in this area, and buyers pay a premium for a beneficial view amenity. View adjustments are based on view amenity, degree of view and any obstructions. Views are a major contributor to land value.

Neighborhood adjustments are made toward the lower portion of the grid and reflect differences for overall neighborhood appeal.

Quality of construction adjustments reflect differences in overall quality of building materials, quality and quantity of built ins, fixtures, finishes, appliances, components and it considered building complexity, workmanship and craftsmanship. Adjustments of \$250,000 were extracted per tier rating difference.

Age adjustments were not made in conjunction with condition adjustments unless a property is new or newer construction.

Condition adjustments reflect differences in physical depreciation and datedness. Adjustments of \$250,000 per tier rating were extracted.

Above grade living area adjustments of \$175 per square foot were made for differences of more than 100 sq. ft. Adjustments were made respectively. This adjustment was derived from an analysis of construction cost breakdowns of properties in this area less estimated depreciation.

Each of the properties are sufficient in bedroom count.

Bathrooms adjustments were extracted at \$10,000 per half bath and \$20,000 per full bath. This adjustment reflects the typical buyer's expectation and high costs of adding and remodeling baths in this area for this type of property.

Air conditioning adjustments were extracted at \$5,000 based on costs of installation, quantity of air conditioning units for larger residences, less typical depreciation.

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Owned solar panel adjustments were extracted at \$15,000, if they are less than 15 years old.

Adjustments of \$25,000 per garage bay were extracted and carport adjustments were extracted at \$10,000 per bay.

A good landscaping amenity contributes to the curb appeal and potential use of outdoor space. Landscaping is costly, and adjustments reflect differences in quality, maturity, density, area of landscape, features including walls, walks, fountains, terraces, irrigation, ponds, stone work, trellising, etc. Adjustments of \$100,000 per tier rating difference were extracted.

Pool adjustments are extracted at \$85,000 and built-in spas at \$15,000. Tennis courts have a contributory value of \$100,000.

The adjustments reflect the estimated market reaction to differences between the subject property and each comparable property. Sensitivity analysis is a successful way to determine and support adjustments, after adjustments which have already been tested and supported, are applied. The adjustment which produces the smallest variance in indicated value is generally chosen. I will first try to extract adjustments from the grid using the most similar comparable properties. Alternatively, I may utilize prior appraisals which are similar to the subject, in which adjustments were previously tested and supported. When land sales are available, I will attempt to extract adjustments for differences of location, lot size/utility and/or view. I may also estimate costs of remodeling, updating or additions to determine adjustments, as a typical buyer will consider this amount when comparing properties which differ in condition, quality or size. Typically, a combination of these techniques are used to derive and support adjustments.

The unadjusted range of sales prices for all of the comparable properties is from \$1,830,000 to \$3,595,000. Overall comparable sales #1, #3 and #5 are inferior and sale #9 is superior. Therefore, the subject's value should be between \$2,412,500 and \$3,595,000, but closer to the middle of this range.

The adjusted range of sales prices is from \$2,868,500 to \$3,096,000.

More consideration was placed on sales #2, #4, #6 and #7 which are the most similar compared to the subject property. These properties have an adjusted range from \$2,858,600 to \$3,096,000. Sale #4 was a low sale due to a credit for repairs. The remaining sales that were heavily considered range from \$2,947,500 and \$3,096,000.

Taking into consideration the subject's neighborhood, location, site and improvement features as well as the current market data and conditions as of the effective date, a value of \$3,000,000, is reasonable and within the unadjusted and adjusted range of value.

The Sales Comparison Approach supports a value of \$3,000,000, as of the effective date.

Support for the Opinion of Site Value

This appraisal makes the assumption that the stated building costs are within a reasonable range of actual construction costs. The use of this assumption can have an effect on the final value of the Cost Approach.

This appraiser is not an expert in construction cost estimating, although, I do have some experience in construction and remodeling. Determining "actual construction costs" is difficult given the insufficient and inaccurate resources available to the appraiser, therefore it is highly recommended that the original developer's cost breakdown be reviewed by a professional cost service to determine actual costs of the subject improvements.

Sources for Construction Cost estimates include: My collection of preliminary and final construction cost breakdowns, CoreLogic Marshall & Swift Valuation Service Manual; California State Board of Equalization Assessor's Handbook Section 531 dated January 2018; Interviews with builder/contractors: Ian Cronshaw, Mark Sauer, Don Ford and Darrell Becker; as well as Cost Funds Controller Carl Williams. These sources are found to be inconsistent and have extreme ranges in costs. The national publications and Cost Funds Controller data are hard costs only, and it is necessary to add a variety of multipliers and additives, which do not necessarily reflect local trends and conditions, resulting in low cost factors.

Buildable land is scarce; water meter permits are difficult to obtain, and certain Santa Barbara South Coast areas are currently not allocating new water meter permits. Due to the demand for high quality residential construction, it is necessary for local contractors/builders to hire sub-contractors and employees with high skill levels and specialty training. However, due to the insufficient pool of skilled talent, premiums are paid for these artisans. High developmental profits are expected by developers and builders within the subject's area. This is due to the long Architectural Board of Review process, expensive permitting process and high County fees. The south coast of Santa Barbara is considered a resort area, and costs of materials, costs of living, labor costs, holding costs, costs of insurance, etc., are generally higher than other areas in California. These factors tend to not be included in national publications, and construction cost breakdowns have also been found to be unreliable.

According to local experts, soft costs tend to be 30-40% of the hard costs and are typically paid before construction begins. Overhead/profit tends to be around 10%/10%. Costs of landscaping/hardscaping can be significant. Overall, construction costs for the area are very high, difficult to extract or support, and can vary significantly project to project.

Although I used multiple sources, the construction costs in the Cost Approach are "estimated" costs for the subject's improvements. Indirect costs, soft costs and developmental profit were also estimated and included in the estimated costs. It is common for some high end custom residences to have the cost of construction plus site value, exceed market value of the property.

Due to the uniqueness of new construction in this area, insufficient and unreliable cost data, the theory that the value of a property is determined by the sum of the cost, does not necessarily apply, therefore, limited consideration is given to the Cost Approach to value.

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The subject's high land to improvement ratio is considered typical for the area and is attributable to the strong demand for new housing and the relative scarcity of buildable land.

Use of the cost data, in whole or in part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. The appraiser recommends that an insurance professional be consulted. Further, the Cost Approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

There are no somewhat similar vacant land sales in the subject's neighborhood, therefore the opinion of site value was estimated based on using improved sites located within the neighborhood boundaries of properties, less the estimated contributory value of entitlements and existing improvements, combined with using vacant land sales from outside the neighborhood boundaries.

Due to the lack of recent land sales, and the appraiser's lack of expertise in determining effective age and remaining physical life, the depreciation is only estimated, and it should not be relied on. The subject improvement has a similar effective age to the majority of homes in the immediate neighborhood, unless otherwise stated.

The Cost Approach has an indicated value of \$3,000,200.

FINAL RECONCILIATION

This is a retrospective appraisal.

The Sales Comparison Approach to Value supports an indicated value of \$3,000,000. The Cost Approach has an indicated value of \$3,000,200. However, limited consideration is given to the Cost Approach due to uniqueness of construction in this area, lack of actual cost data, insufficient and unreliable cost data from national cost services, and lack of similar vacant land sales. The Income Approach does not apply to single family residential property as market participants do not use the Income Approach to determine value for this type of property.

In determining a final estimate of value for the subject property, the Sales Comparison Approach was given most consideration and my opinion of fair market value is \$3,000,000 as of 01/08/2018.

Personal property was not included in the final opinion of value.

ADDITIONAL SCOPE OF WORK/ASSIGNMENT CONDITIONS

Expansion of scope or work and Clarifications of Limiting Conditions:

This appraisal can only be relied upon to the extent that reliance is reasonable.

Personal property was not included in the final value of the subject property. Free standing refrigerators, washers and dryers, portable spas, furniture and other unattached items are considered to be personal property and are not included in the estimate of real property unless otherwise stated.

It is assumed that the electrical, plumbing and other mechanical functions of the improvements are in good working order, unless otherwise stated. In the event that the persons relying on this report, suspect that there are defects with the plumbing, electrical or other mechanical functions of the improvements, it is advised that they consult a licensed physical inspector.

This appraisal assumes that there are no easements, deed restrictions, leases, reservations, covenants, contracts, declarations or special assessments which affect the market value of the subject property.

The subject property's lot size, shape, location and boundaries used in this report are based upon information supplied by the Santa Barbara County property tax assessor. The appraiser is not a property surveyor nor does he have any expertise in defining property boundaries or calculating lot area. If lot area calculations have been completed by the appraiser, they are also based upon map information supplied by the tax assessor, and are approximations to be used solely for lot size comparisons within this report and are not to be relied upon for any other uses. It is assumed that the lot size, shape, location and boundaries shown on the assessor's parcel map are correct and that the subject site is free of adverse easements and encroachments from neighboring parcels.

It is the assumption of the appraiser that all of the improvements were completed with the benefit of permits and are built to code unless otherwise noted. If the persons relying on this report suspect that permits were not obtained or improvements were not built to code, they are advised to consult the city and/or county building departments.

Crawl spaces, unfinished basements, unfinished attics and locked storage areas, if any, were not inspected by the appraiser, unless otherwise noted.

The appraiser is not an expert on infestation and a pest control report was not reviewed and the improvement was not inspected by the appraiser for infestation, however, at the time of the site inspection active infestation was noted and the amount observed was taken into consideration in the condition rating. In the event, that the extent of termite damage is significant beyond the assumed condition rating, the appraiser reserves the right to change the value accordingly. I highly suggest that a pest inspector be consulted.

The appraiser is not a structural expert and has no expertise regarding the structural integrity of the subject property. Cracking, shifting, settling and/or other physical indicators of structural problems were not observed by the appraiser,

ADDENDUM

Client: Farmers & Merchants Trust Company

File No.: htSpr319pre

Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

Zip: 93108-2009

unless otherwise noted.

The appraiser has researched transfer history of the subject for the past 3 years and each comparable sale for the last 12 months. However, I may have included sales information prior to 3 years ago, if I feel it is pertinent to this report. To the best of my knowledge all reports sales represent arm's length transactions. The appraiser is unaware of any atypical circumstances with regard to the reported sales prices, financing, or the parties to each sale, unless noted. If information becomes available that would invalidate the appropriateness of any of the comparable sales used in this report, the appraiser reserves the right to change the final estimate of value accordingly.

In determining the market value, I have considered the adjusted sale prices for the comparable sales which is the best indicator of market value for the subject's market segment.

In deriving market data statistics, I am relying on the Santa Barbara Multiple Listing service for actual data. I am also relying on the local news station, local newspapers and opinions of real estate professionals, local lenders, and local economists. The local Multiple Listing Service is very limited on ways to narrow searches and therefore the statistical information gathered tends to be generalized over a large area and does not necessarily give an accurate picture of any specific location. When possible I will narrow the search eliminating properties which would not be comparable to the subject.

All square footage calculations are approximate. The gross living area for the subject property was either derived from measuring the exterior of a single family residence then rounded to the nearest half foot. When a property is difficult to measure, I may use previous appraisals or blue prints to calculate square footage. For comparable sales, I will use sources including: CRS Data, CORT, City records, County records, County Assessor, brokers and MLS to verify square footage. However, it is typical for each of these sources to report different square footages, therefore I will do my best to analyze this information and be as accurate as possible.

The appraiser is not a whole house home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. A professional home inspection and/or environmental inspection is recommended.

The appraiser is in compliance with the competency rule and the appraiser has the knowledge and experience to complete the assignment. The appraiser complies with the disclosure requirements set for in USPAP.

The appraiser is not responsible for unauthorized use of this report. Interviews with brokers, appraisers along with research of the data via sources such as CRS Data, CORT and MLS were consulted. The appraiser will protect the confidential nature of appraiser-client relationship. The physical, economic, social, and legal ramifications of the subject property to its surrounding area was considered in the appraisal.

It is assumed that there are no structural defects hidden by floor or wall coverings, or any other hidden or unapparent condition of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in reasonably good condition unless otherwise noted. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections to satisfy themselves. The appraiser does not have the expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

Bedrooms:

Bedrooms are defined as rooms with closets, one egress window or door direct to the exterior, smoke detector and at least 70 sq. ft. of floor area, ventilation and heating, 7' minimum ceiling height and are not used to pass through to enter another room such as another bedroom.

Location:

The location rating is for the location of the subject and comparable properties within the neighborhood or market area, and is not a rating for the overall neighborhood or market area.

Days on Market Definition:

The total number of continuous days from the date that a property is listed or advertised for sale through the date that it is taken off the market or contracted for sale. If a property was listed multiple times, with very short time periods between listings, I will include the prior listings. If there are larger gaps, only the most recent days on the market will be listed. I will also note the days since the most recent price reduction as days on the market should only include days on the market since a property was reasonably priced through the date that it is contracted for sale.

Market Condition Comments:

A real estate "market" constantly changes. There is really no such thing as a stable market unless exactly the same market activity happens each month. Therefore, I am defining a stable market as a reasonable range of increasing and declining values and activity in a given period. An Increasing Market is the area above the reasonable range and a Declining Market is the area below a reasonable range. The reasonable range is defined as a "period of time", when month over month the range is relatively within the same range. If for consecutive months, there is a decrease from the normal range, that would signify a declining market and an increase from the normal range would signify an increasing market.

APPRAISER DECLARATION

(a) the appraiser performs appraisals on a regular basis;

ADDENDUM

Client: Farmers & Merchants Trust Company

File No.: htSpr319pre

Property Address: 319 Hot Springs Rd

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- (b) the appraiser is qualified to make appraisals of the subject property;
- (c) the appraiser is not the taxpayer;
- (d) the appraiser was not a party to the transaction;
- (e) the appraiser is not the beneficiary or donee of the subject property;
- (f) the appraiser is not a person who was employed by the client/homeowner nor is employed by the taxpayer;
- (g) the appraiser is not related to any of the foregoing persons under § 267(b) or married to a person who is in a relationship described in § 267(b) with any of the foregoing persons;
- (h) the appraiser is not an appraiser who was regularly used by the client or who is regularly used by the taxpayer or the beneficiary; and
- (i) the appraisal fee is not based on the appraised value of the subject property.

FLOORPLAN SKETCH

Client: Farmers & Merchants Trust Company

File No.: htspr319pre

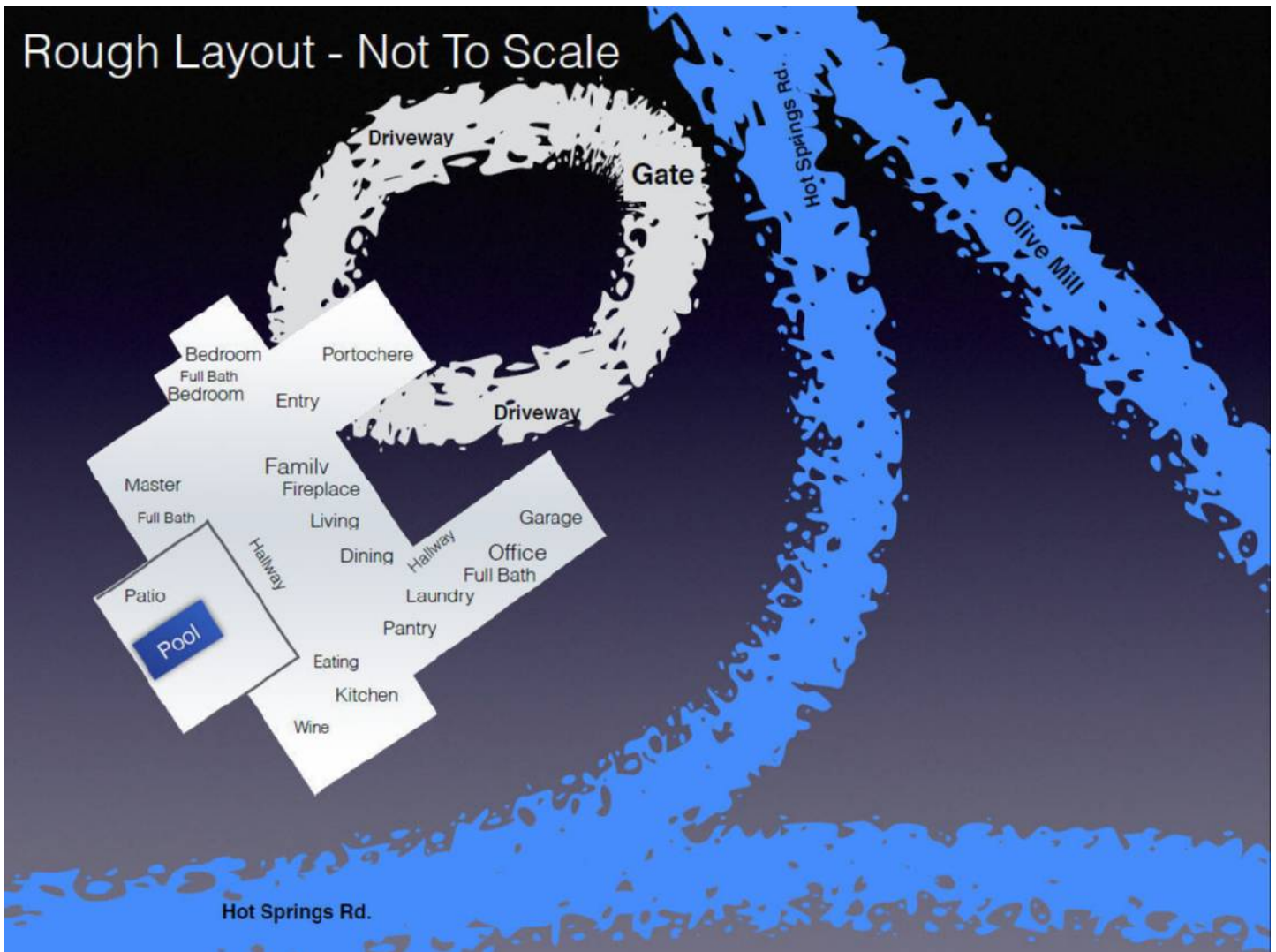
Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

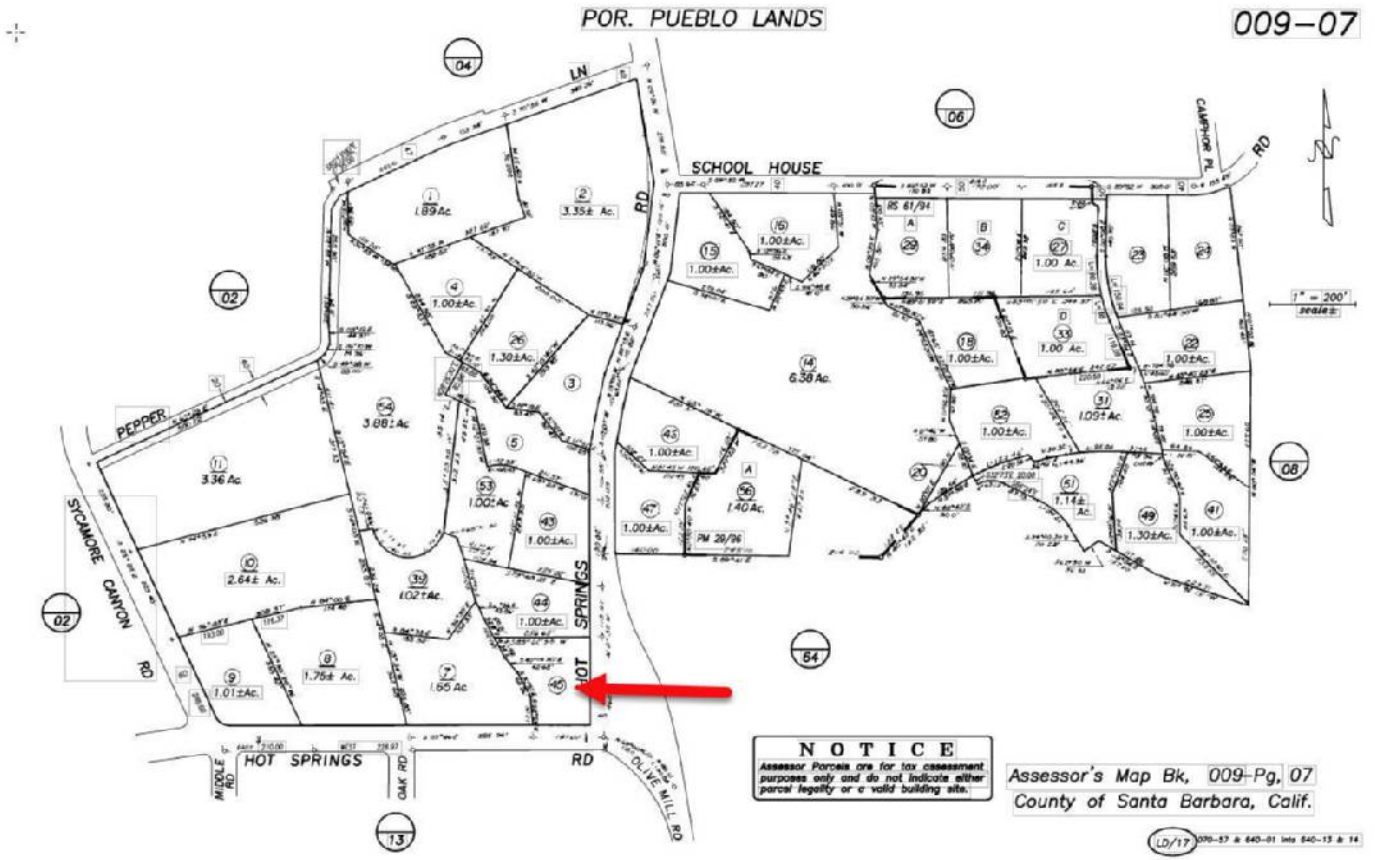
Zip: 93108-2009



PLAT MAP

Client: Farmers & Merchants Trust Company
Property Address: 319 Hot Springs Rd
City: Santa Barbara

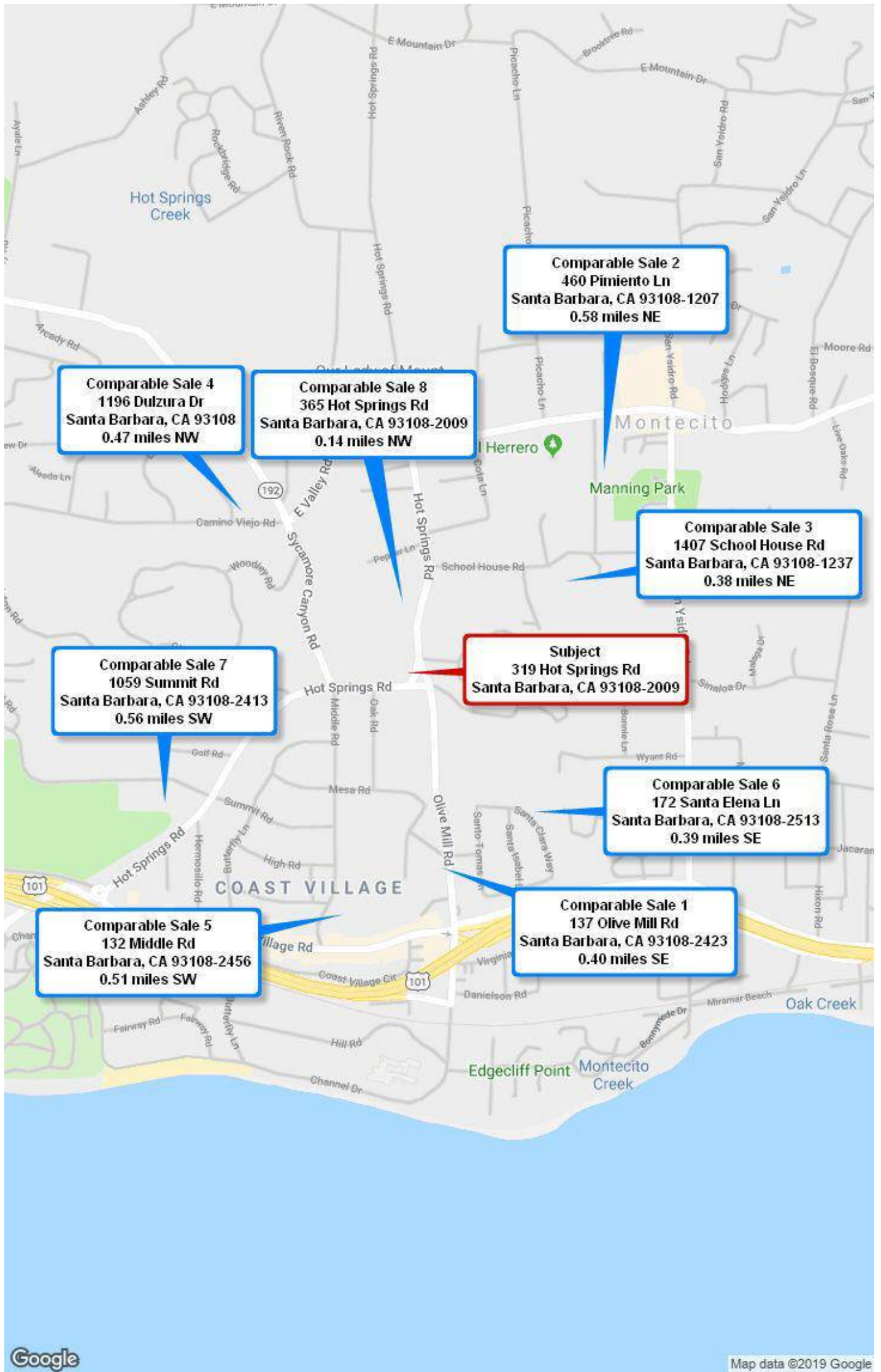
File No.: htspr319pre
Case No.:
State: CA
Zip: 93108-2009



LOCATION MAP

Client: Farmers & Merchants Trust Company
Property Address: 319 Hot Springs Rd
City: Santa Barbara

File No.: htspr319pre
Case No.:
State: CA Zip: 93108-2009



FLOOD MAP

Client: Farmers & Merchants Trust Company
Property Address: 319 Hot Springs Rd
City: Santa Barbara

File No.: htspr319pre
Case No.:
State: CA
Zip: 93108-2009



FLOOD INFORMATION

Community: SANTA BARBARA COUNTY
Property is in a FEMA Special Flood Hazard Area - High Risk
Map Number: 06083C1392H
Panel: 1392H
Zone: AE
Map Date: 09-28-2018
FIPS: 06083
Source: FEMA DFIRM

LEGEND

-  = FEMA Special Flood Hazard Area – High Risk
-  = Moderate and Minimal Risk Areas
- Road View:**
-  = Forest
-  = Water

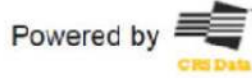
Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

Client: Farmers & Merchants Trust Company
 Property Address: 319 Hot Springs Rd
 City: Santa Barbara

File No.: htspr319pre
 Case No.:
 State: CA Zip: 93108-2009

Jennifer L. Heath, SRA, AI-RRS
 Jennifer Heath, LLC
 (805) 689-9809
 Jennifer@SBAppraiser.com



Friday, February 15, 2019

LOCATION

Property Address 319 Hot Springs Rd
 Santa Barbara, CA 93108-2009

Subdivision

County Santa Barbara County, CA

PROPERTY SUMMARY

Property Type Residential

Land Use Residential Vacant Land

Improvement Type

Square Feet

GENERAL PARCEL INFORMATION

APN/Tax ID 009-070-045

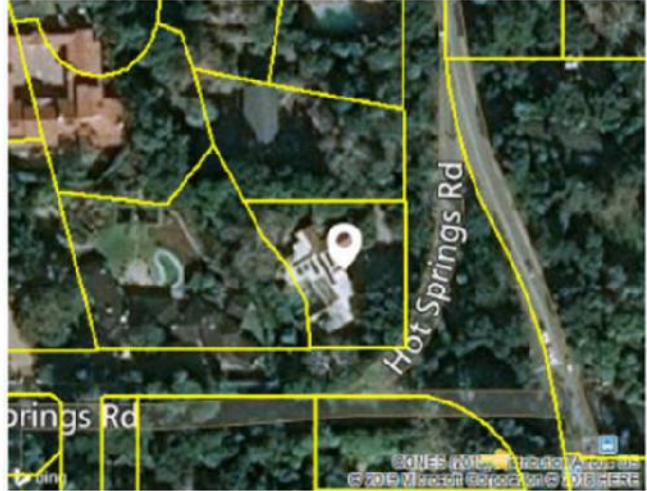
Alt. APN

Account Number

Tax Area 78-012

2010 Census Trct/Blk 7/4

Assessor Roll Year 2018



CURRENT OWNER

Name Mitchell Family Trust 8/31/93 C/O Kelly Weiner

Mailing Address Po Box 110370
 Campbell, CA 95011-0370

SALES HISTORY THROUGH 02/11/2019

Date	Date Recorded	Amount	Buyer/Owners	Seller	Instrument	No. Parcels	Book/Page Or Document#
3/6/2003	3/24/2003		Mitchell James C & Mitchell Alice L	Mitchell James C & Mitchell Alice L	Intrafamily Transfer & Dissolution		2003-0035367
3/19/2003	3/21/2003		Mitchell James C & Mitchell Alice L	Mitchell James C & Mitchell Alice L	Intrafamily Transfer & Dissolution		2003-0034748
3/20/2003	3/21/2003		Mitchell James C & Mitchell Alice L	Mitchell James C & Mitchell Alice L	Correction Deed		2003-0034747
9/26/2002	12/11/2002		Mitchell James C & Mitchell Alice L	Mitchell James C & Mitchell Alice L	Intrafamily Transfer & Dissolution		2002-0128539
9/25/2002	10/10/2002		Mitchell James C & Mitchell Alice L	Mitchell James C & Mitchell Alice L	Intrafamily Transfer & Dissolution		2002-0101626
6/17/2002	7/3/2002		Mitchell James C & Mitchell Alice L	Mitchell James C & Mitchell Alice L	Intrafamily Transfer & Dissolution		2002-0064506
9/9/1998	9/11/1998		Mitchell James C & Mitchell Alice L	Mc Dermid L David	Grant Deed		98-069815

TAX ASSESSMENT

Tax Assessment	2018	Change (%)	2017	Change (%)	2016
Assessed Land	\$144,661.00	-\$800,897.00 (-84.7%)	\$945,558.00	\$18,540.00 (2.0%)	\$927,018.00
Assessed Improvements		-\$803,723.00 (-100.0%)	\$803,723.00	\$15,759.00 (2.0%)	\$787,964.00
Total Assessment	\$144,661.00	-\$1,604,620.00 (-91.7%)	\$1,749,281.00	\$34,299.00 (2.0%)	\$1,714,982.00
Exempt Reason	Homeowners Exemption				
% Improved	0%				

TAXES

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 Information Deemed Reliable But Not Guaranteed.

Client: Farmers & Merchants Trust Company

File No.: htspr319pre

Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

Zip: 93108-2009

Property Report for 319 HOT SPRINGS RD, cont.

Tax Year	City Taxes	County Taxes	Total Taxes
2017			\$19,470.66
2016			\$18,871.72
2015			\$18,443.16
2014			\$18,161.40
2013			\$18,086.82

MORTGAGE HISTORY

Date	Loan Amount	Borrower	Lender	Book/Page or Document#
11/30/2010	\$719,000	Mitchell Mitchell Alice L	Wells Fargo	2010-0069595
08/04/2004	\$263,287	Mitchell Mitchell Alice L	Bank Of America	2004-0090015
03/19/2003	\$905,500	Mitchell James C Mitchell Alice L	Wells Fargo Home Mortgage	2003-0034749
09/25/2002	\$910,000	Mitchell James C Mitchell Alice L	Greenpoint Mortgage	2002-0101627
07/03/2002	\$297,000	Mitchell Mitchell Alice L	Bank Of America	2002-0064508
06/17/2002	\$910,000	Mitchell James C Mitchell Alice L	Bank Of America	2002-0064507
05/11/1999	\$971,250	Mitchell Mitchell Alice L	Washington Mutual	99-037928
08/03/1998	\$885,000	McDermid	First Bank	98-058562

PROPERTY CHARACTERISTICS: BUILDING

No Buildings were found for this parcel.

PROPERTY CHARACTERISTICS: LOT

Land Use	Residential Vacant Land	Lot Dimensions	
Block/Lot		Lot Square Feet	33,541
Latitude/Longitude	34.429218°/-119.641619°	Acreage	0.77

LEGAL DESCRIPTION

Subdivision	Plat Book/Page
Block/Lot	Tax Area 78-012
Description	

FLOOD ZONE INFORMATION

Zone Code	Flood Risk	BFE	Description	FIRM Panel ID	FIRM Panel Eff. Date
AE	High		Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. Base Flood Elevations (BFEs) are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.	06083C1392H	09/28/2018
X	Minimal		Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.	06083C1392H	09/28/2018



Client: Farmers & Merchants Trust Company

File No.: htspr319pre

Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

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

Jennifer L. Heath

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

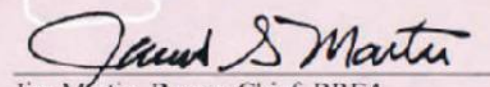
“Certified Residential Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AR 017399

Effective Date: March 5, 2017

Date Expires: March 4, 2019


Jim Martin, Bureau Chief, BREA

3029823

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

Client: Farmers & Merchants Trust Company

File No.: htspr319pre

Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

Zip: 93108-2009



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

Jennifer L. Heath

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

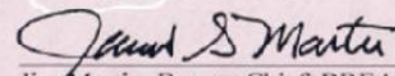
"Certified Residential Real Estate Appraiser"

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

BREA APPRAISER IDENTIFICATION NUMBER: AR 017399

Effective Date: March 5, 2019

Date Expires: March 4, 2021


Jim Martin, Bureau Chief, BREA

3043007

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

USPAP ADDENDUM


File No. htspr319pre

Borrower: N/A
 Property Address: 319 Hot Springs Rd
 City: Santa Barbara County: Santa Barbara State: CA Zip Code: 93108-2009
 Lender: Farmers & Merchants Trust Company

Reasonable Exposure Time
 My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: under 3 months
 See Attached Addendum

Additional Certifications
 I have performed **NO** services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
 I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.
 Other than I am simultaneously completing a retrospective appraisal, which has an effective date of 01/09/2018, immediately following the death/catastrophic disaster.

Additional Comments
 See Attached Addendum

<p>APPRAISER:</p> <p>Signature: <u></u> Name: <u>Jennifer L. Heath, SRA, AI-RRS</u> Date Signed: <u>02/16/2019</u> State Certification #: <u>AR017399</u> or State License #: _____ or Other (describe): _____ State #: _____ State: <u>CA</u> Expiration Date of Certification or License: <u>03/04/2021</u> Effective Date of Appraisal: <u>January 8, 2018</u></p>	<p>SUPERVISORY APPRAISER (only if required):</p> <p>Signature: _____ Name: _____ Date Signed: _____ State Certification #: _____ or State License #: _____ State: _____ Expiration Date of Certification or License: _____ Supervisory Appraiser inspection of Subject Property: <input type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from street <input type="checkbox"/> Interior and Exterior</p>
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ADDENDUM

Client: Farmers & Merchants Trust Company

File No.: htSpr319pre

Property Address: 319 Hot Springs Rd

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City: Santa Barbara

State: CA

Zip: 93108-2009

REASONABLE EXPOSURE TIME COMMENTS

Exposure Time: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of an appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Statement on USPAP Standards Rule 1-2(c).

The appraiser has determined that the property would have to be exposed for under 3 months on the open market in order to have a market value of \$3,000,000 on the effective date of this appraisal. Effective exposure time (days that a property was reasonably marketed) ranges from 0 to 126 days. However, the sale with the highest exposure time is also the oldest sale and was more reflective of the slower market. The remaining sales sold within 3 months of being reasonably priced. Exposure time is always presumed to precede the effective date of the appraisal. This includes not only adequate, sufficient and reasonable time but adequate, sufficient and reasonable effort. It is often expressed as a range and is based on the following: 1. Statistical information about days on the market, most commonly obtained from the local Multiple Listing Service. 2. Information gathered through sales verification. 3. Interviews with market participants. These sources yield further data including typical buyers and sellers, typical equity levels and conventional financing terms.

For the purposes of this report and determining the exposure time or days on the market (DOM), I will note the DOM as actual days from most recent listing through date of pending per MLS, however, I will also note the days on the market as days from the most recent price reduction or when a property was reasonably priced until it was reported pending in MLS as "lpr:". Exposure time will be based on days that a property was reasonably marketed. It does not include the days it was contingent or pending.

Reasonable Marketing Time: This is the estimate of the amount of time it might take to sell a property at the estimated market value during the period immediately after the effective date of the appraisal. The sources for this information include those used in estimating reasonable exposure time but may also include anticipated changes in market conditions. Based on the recent sales in the subject's neighborhood, the reasonable marketing time of properties exhibiting the subject's characteristics is under 3 months, if reasonably priced. (Statement on USPAP Standards Rule 2-2(a)(v) and 2-2(b)(v)

Reasonable exposure time for the subject property under current market conditions is estimated to be under 3 months, if reasonably priced. This is based on the analyses of current market trends in the general area and takes into account the size, condition, and price range of the subject and the surrounding properties and it presupposes that a listing price would be at or near the appraised value. It also assumes aggressive, professional marketing by reputable local real estate offices.

The appraiser certifies and agrees that this appraisal report was prepared in accordance with the requirements of Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended (12 U.S.C. 3331 et seq.), and any applicable implementing regulations in effect at the time the appraiser signs the appraisal certification.

ADDITIONAL COMMENTS

Expansion of scope or work and Clarifications of Limiting Conditions:

This appraisal can only be relied upon to the extent that reliance is reasonable.

Personal property was not included in the final value of the subject property. Free standing refrigerators, washers and dryers, portable spas, furniture and other unattached items are considered to be personal property and are not included in the estimate of real property unless otherwise stated.

It is assumed that the electrical, plumbing and other mechanical functions of the improvements were in good working order, and that there are no structural defects that were hidden by floor or wall coverings, or any other hidden or unapparent condition of the property; that all mechanical equipment and appliances were in good working condition; and that all electrical components and the roofing were in reasonably good condition.

This appraisal assumes that there are no easements, deed restrictions, leases, reservations, covenants, contracts, declarations or special assessments which affect the market value of the subject property, unless otherwise noted in this report.

The subject property's lot size, shape, location and boundaries used in this report are based upon information supplied by the Santa Barbara County property tax assessor. The appraiser is not a property surveyor, nor does she have any expertise in defining property boundaries or calculating lot area. If lot area calculations have been completed by the appraiser, they are also based upon map information supplied by the tax assessor and are approximations to be used solely for lot size comparisons within this report and are not to be relied upon for any other uses. It is assumed that the lot size, shape, location and boundaries shown on the assessor's parcel map are correct and that the subject site is free of adverse easements and encroachments from neighboring parcels.

It is the assumption of the appraiser that all of the improvements were completed with the benefit of permits and are built to code unless otherwise noted.

Since the subject improvements and site improvements were destroyed prior to my site inspection, this appraisal makes the assumption that the improvements were free of infestation, toxic substances, geologic conditions, structural damage, cracking, shifting, settling and/or other physical indicators of structural problems did not exist. The appraiser does not guarantee that the property was free of defects or environmental problems.

The appraiser has researched transfer history of the subject for the past 3 years and each comparable sale for the last 12 months. However, I may have included sales information prior to 3 years ago, if I feel it is pertinent to this report. To the best of my knowledge all reports sales represent arm's length transactions. The appraiser is unaware of any atypical circumstances with regard to the reported sales prices, financing, or the parties to each sale, unless noted. If information

ADDENDUM

Client: Farmers & Merchants Trust Company

File No.: htspr319pre

Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

Zip: 93108-2009

becomes available that would invalidate the appropriateness of any of the comparable sales used in this report, the appraiser reserves the right to change the final estimate of value accordingly.

Since Santa Barbara is a non-conforming area, it is typical adjustments to exceed 10% line, 15% net, and 25% gross.

In deriving market data statistics, I am relying on the Santa Barbara Multiple Listing service for actual data. I am also relying on the local news station, local newspapers and opinions of real estate professionals, local lenders, and local economists. The local Multiple Listing Service is very limited on ways to narrow searches and therefore the statistical information gathered tends to be generalized over a large area and does not necessarily give an accurate picture of any specific location.

All square footage calculations are approximate. The gross living area for the subject property was derived from public records and from the insurance claim report. For comparable sales, I will use sources including: CRS Data, CORT, City records, County records, County Assessor, permits, brokers and MLS and floor plans to verify square footage. However, it is typical for each of these sources to report different square footages, therefore I will do my best to analyze this information and be as accurate as possible.

The appraiser is in compliance with the competency rule and the appraiser has the knowledge and experience to complete the assignment. The appraiser complies with the disclosure requirements set for in USPAP.

Functional Obsolescence:

Takes into consideration functionality, compliance to recognized utility, flow, function, reduction in usefulness or desirability, design flaws, outdated features or finishes. It can be curable or incurable. Examples would be: a property with tandem bedrooms, or irregular floor plan.

Baths:

The number of full baths followed by the number of half baths separated by a period is required under UAD guidelines. 1/4 baths are not valued, 3/4 baths are valued as a full bath. Ex. 1 full bath plus a 3/4 bath, plus a 1/2 bath = 2.1.

Bedrooms:

Bedrooms are defined as rooms with closets, one egress window or door direct to the exterior, smoke detector and at least 70 sq. ft. of floor area, ventilation and heating, 7' minimum ceiling height and are not used to pass through to enter another room such as another bedroom.

Location:

The location rating is for the location of the subject and comparable properties within the neighborhood or market area and is not a rating for the overall neighborhood or market area. Adjustments for properties from other neighborhoods, which differ in appeal are made in the neighborhood field in the lower portion of the grid along with differences in lot utility.

Days on Market Definition:

The total number of continuous days from the date that a property is listed or advertised for sale through the date that it is taken off the market or contracted for sale. If a property was listed multiple times, with very short time periods between listings, I will include the prior listings. If there are larger gaps, only the most recent days on the market will be listed. I will also note the days since the most recent price reduction as days on the market should only include days on the market since a property was reasonably priced through the date that it is contracted for sale.

Market Condition Comments:

A real estate "market" constantly changes. There is really no such thing as a stable market unless exactly the same market activity happens each month. Therefore, I am defining a stable market as a reasonable range of increasing and declining values and activity in a given period. An Increasing Market is the area above the reasonable range and a Declining Market is the area below a reasonable range. The reasonable range is defined as a "period of time", when month over month the range is relatively within the same range. If for consecutive months, there is a decrease from the normal range, that would signify a declining market and an increase from the normal range would signify an increasing market.

Active listings typically represent the cap of market value, as typically a property sells for less than the listing price. Therefore, a subject property will not generally be appraised for more than the adjusted values for active listings or pending sales.

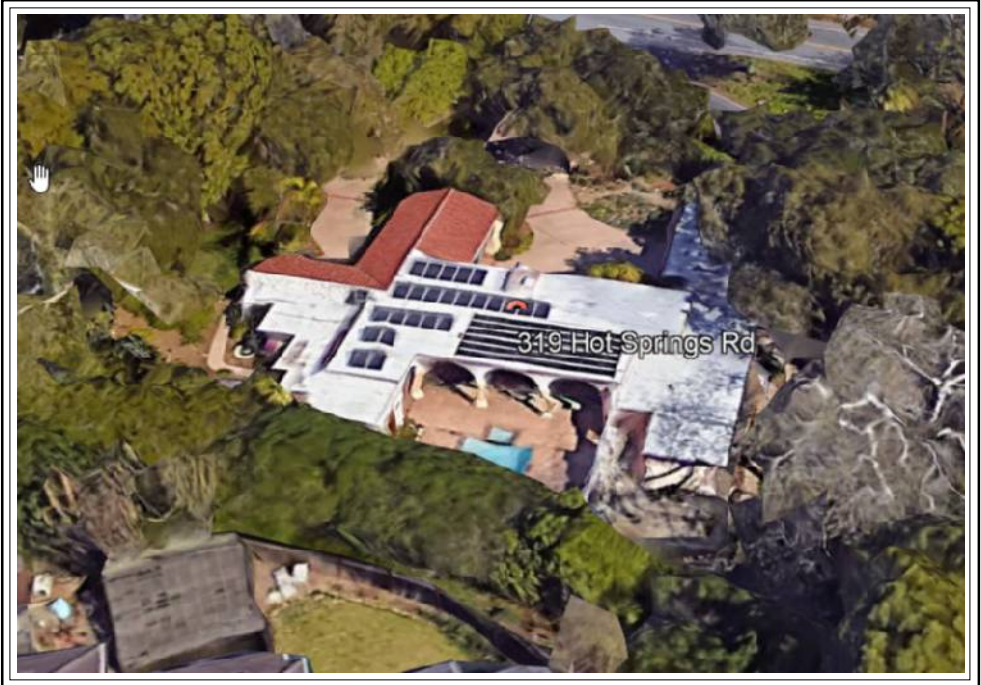
SUBJECT PROPERTY PHOTO ADDENDUM

Client: Farmers & Merchants Trust Company	File No.: htspr319pre
Property Address: 319 Hot Springs Rd	Case No.:
City: Santa Barbara	State: CA Zip: 93108-2009



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: January 8, 2018
Appraised Value: \$ 3,000,000



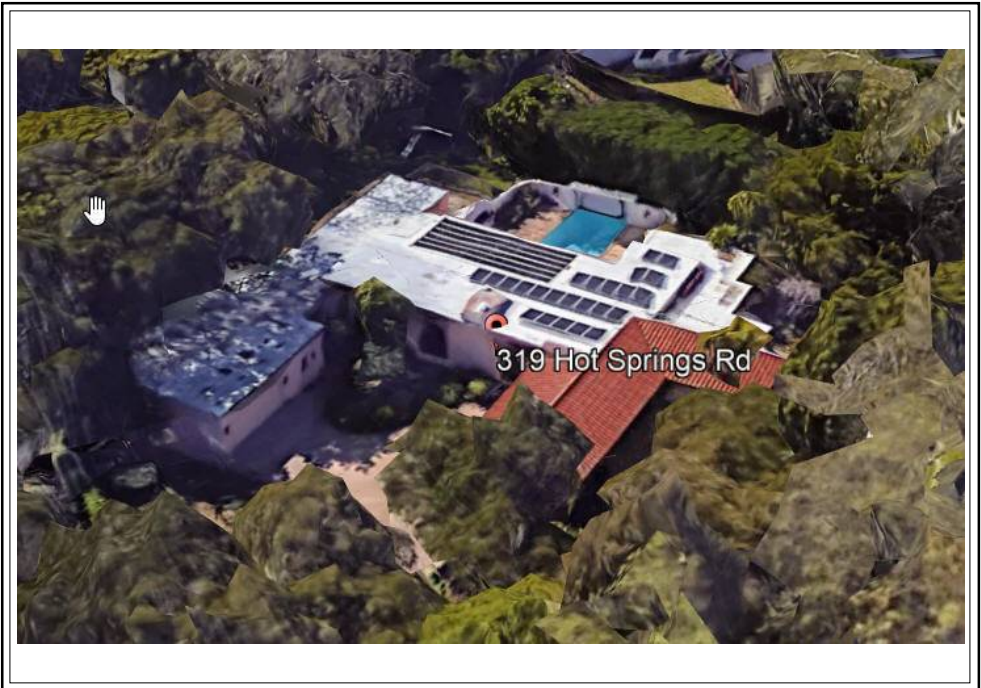
**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE



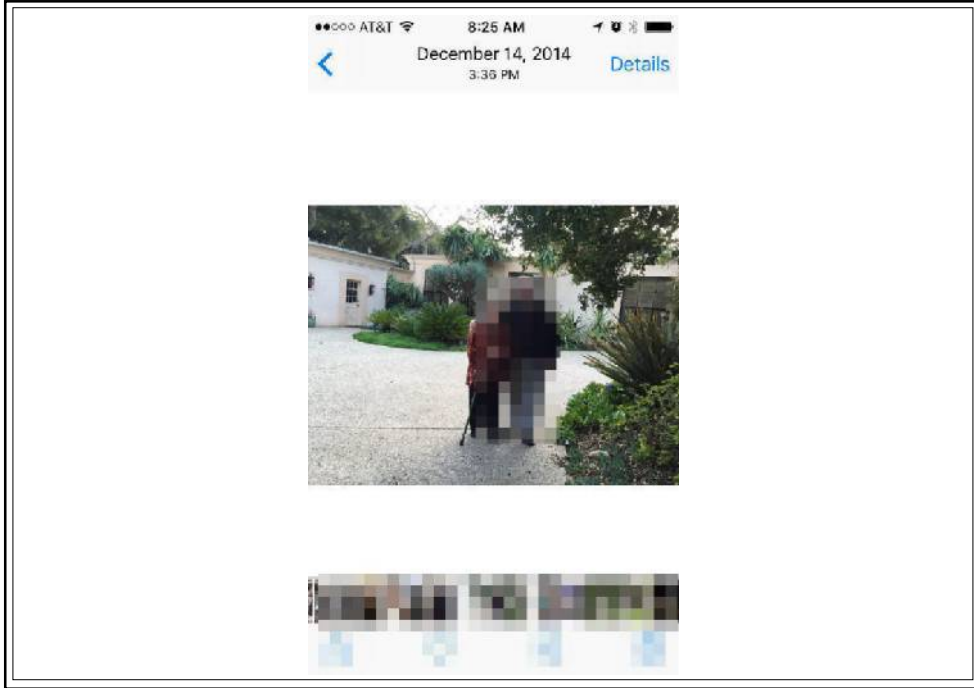
Satellite image



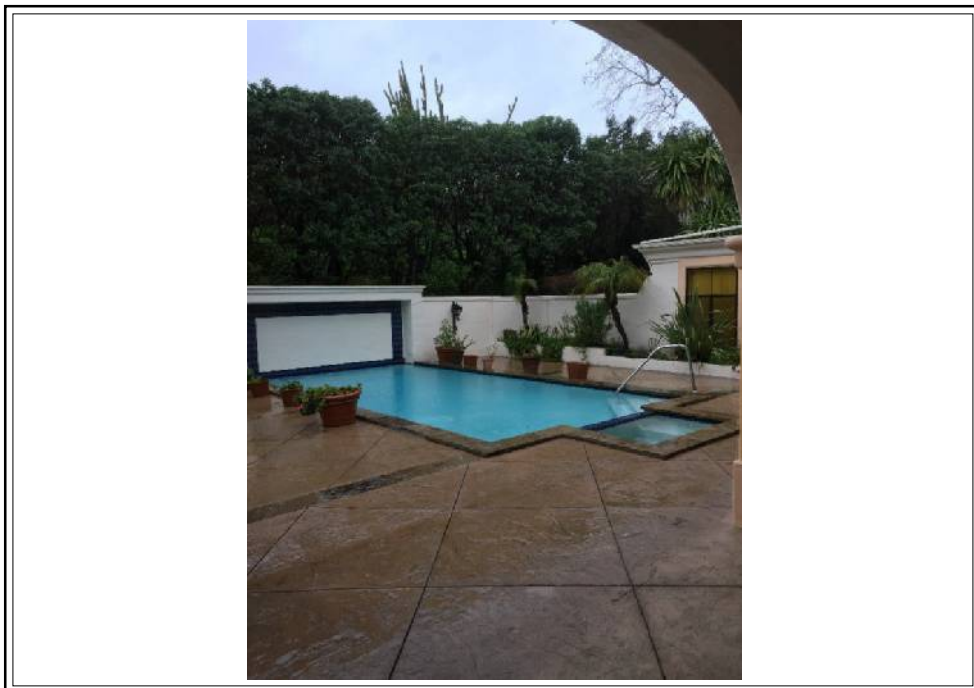
Satellite Image



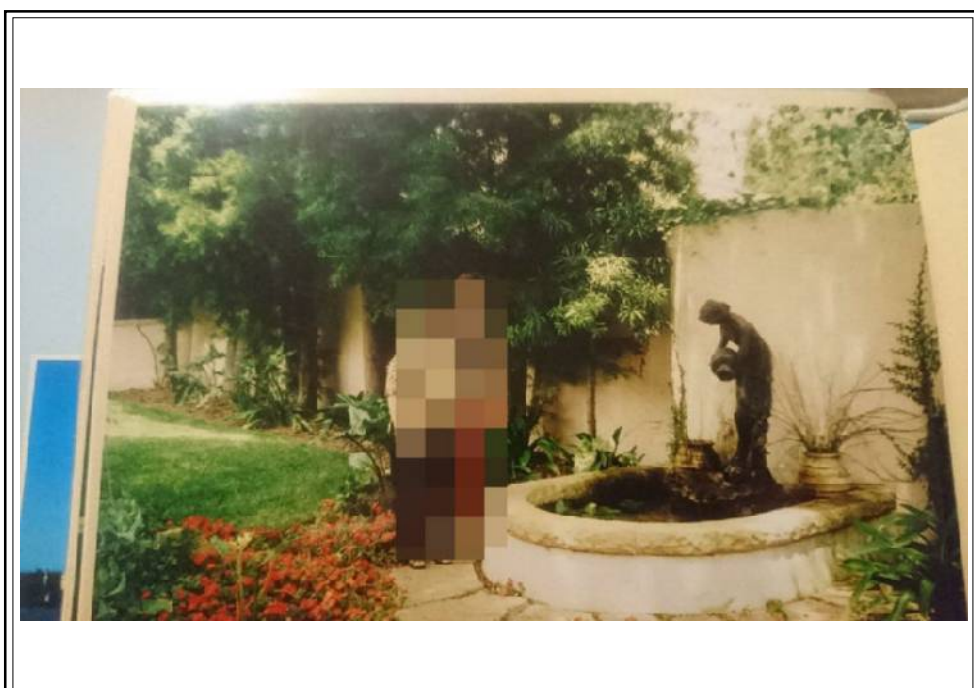
Exterior - December 2018



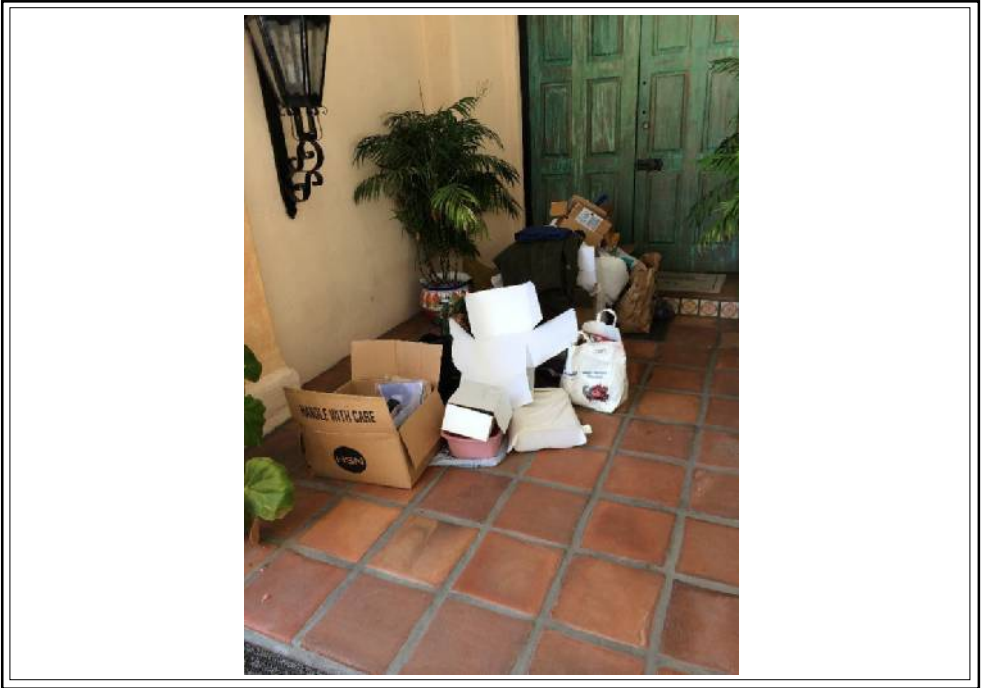
Exterior 12/14/2014



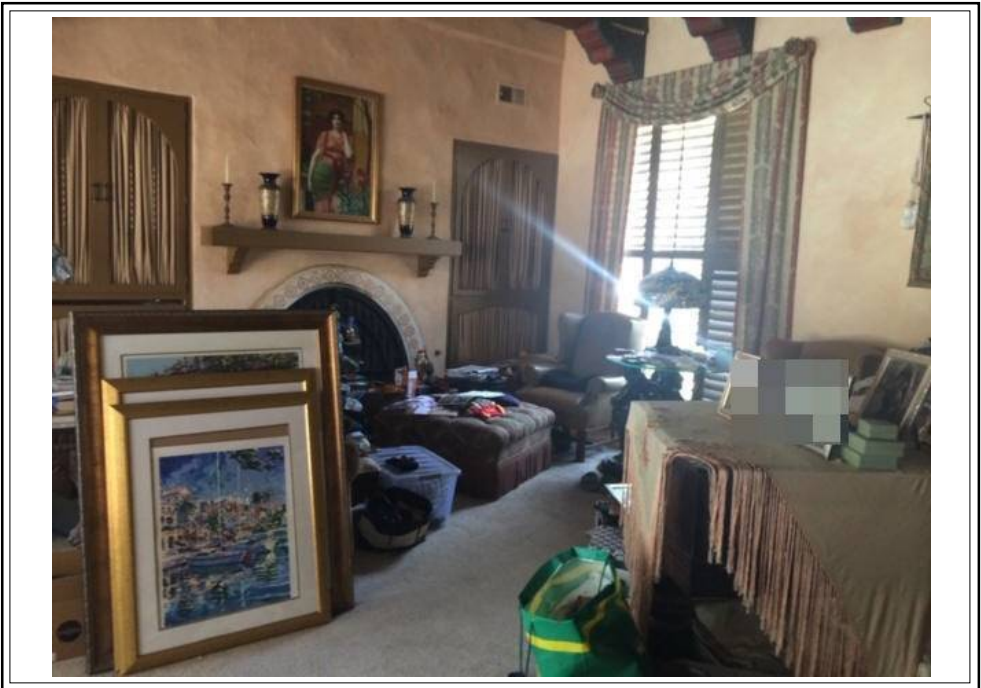
Pool Spa & perimeter walls



Yard, fountain, walls & landscaping



Front porch



Interior - prior to hardwood flooring



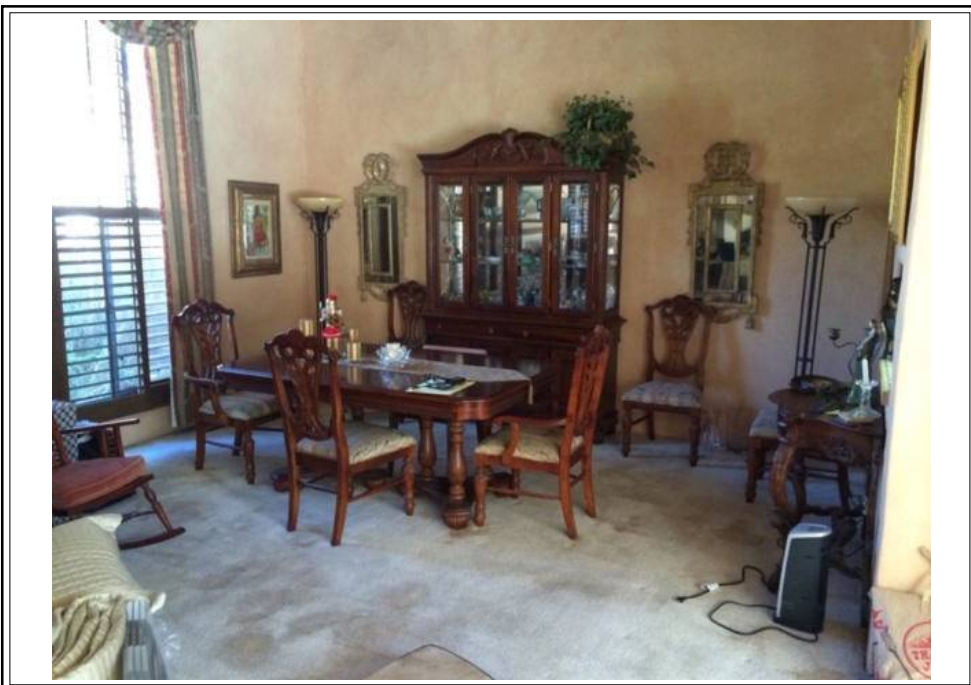
Interior prior to hardwood flooring



interior - prior to hardwood flooring



interior - prior to hardwood flooring



dining room - prior to hardwood flooring



interior prior to hardwood flooring



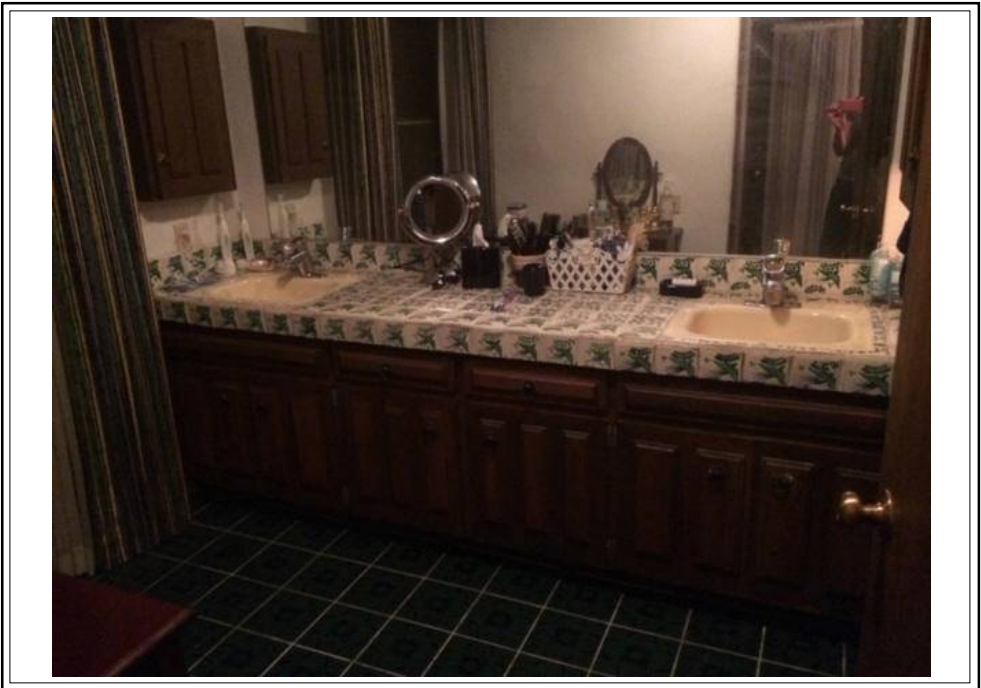
Interior prior to hardwood flooring



Kitchen prior to new counters



bedroom



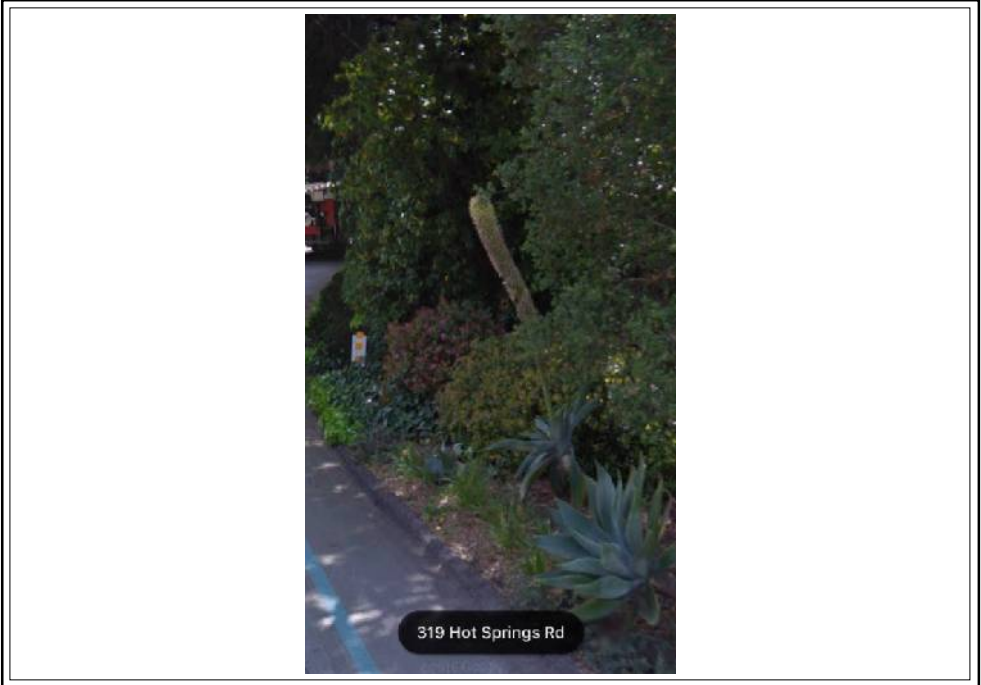
bathroom



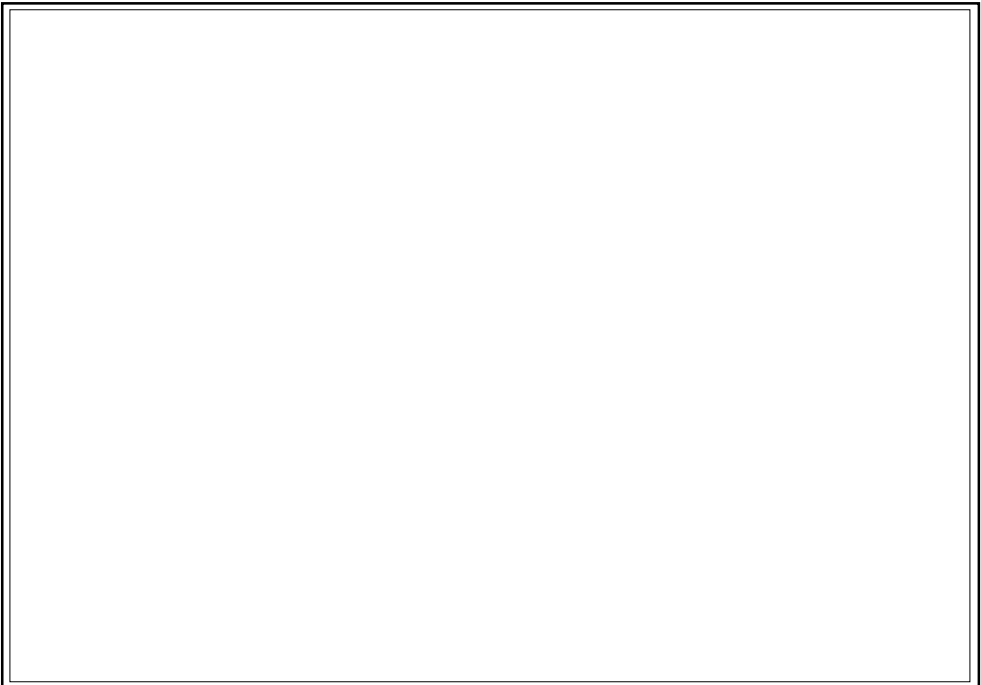
Porte-Cochere/Carport & driveway



Garage Interior

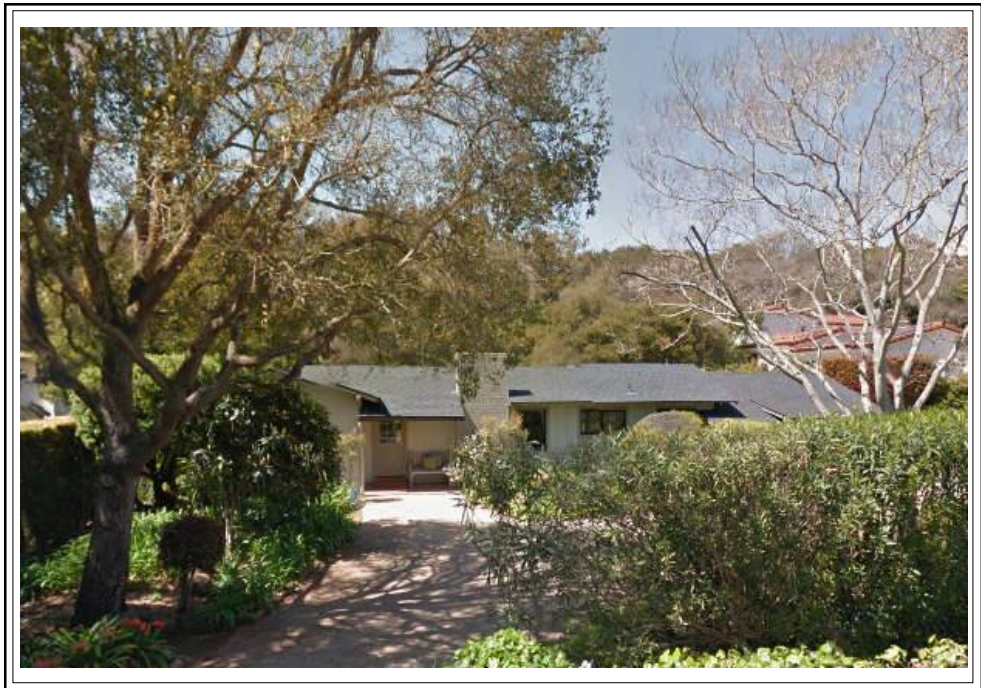


landscape



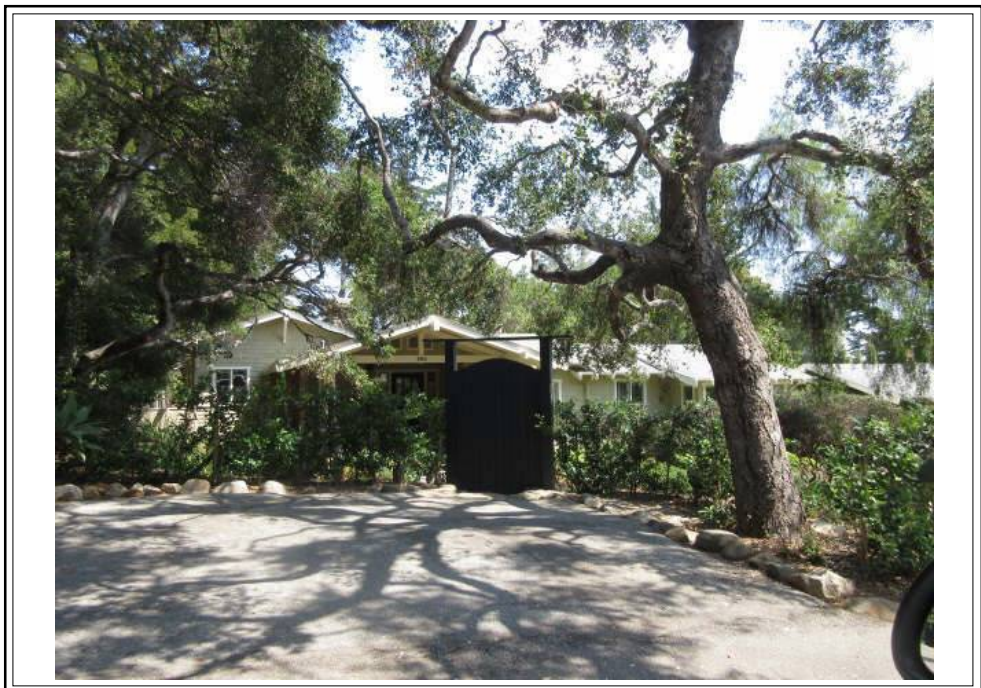
COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Farmers & Merchants Trust Company	File No.: htSpr319pre
Property Address: 319 Hot Springs Rd	Case No.:
City: Santa Barbara	State: CA Zip: 93108-2009



COMPARABLE SALE #1

137 Olive Mill Rd
Santa Barbara, CA 93108-2423
Sale Date: s12/17;c11/17
Sale Price: \$ 1,830,000



COMPARABLE SALE #2

460 Pimiento Ln
Santa Barbara, CA 93108-1207
Sale Date: s12/17;c10/17
Sale Price: \$ 3,089,000



COMPARABLE SALE #3

1407 School House Rd
Santa Barbara, CA 93108-1237
Sale Date: s12/17;c11/17
Sale Price: \$ 2,412,500

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Farmers & Merchants Trust Company	File No.: htspr319pre
Property Address: 319 Hot Springs Rd	Case No.:
City: Santa Barbara	State: CA Zip: 93108-2009



COMPARABLE SALE #4

1196 Dulzura Dr
Santa Barbara, CA 93108
Sale Date: s0917;c08/17
Sale Price: \$ 2,866,000



COMPARABLE SALE #5

132 Middle Rd
Santa Barbara, CA 93108-2456
Sale Date: s08/17;c05/17
Sale Price: \$ 2,405,000



COMPARABLE SALE #6

172 Santa Elena Ln
Santa Barbara, CA 93108-2513
Sale Date: s04/17;Unk
Sale Price: \$ 2,900,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Farmers & Merchants Trust Company	File No.: htspr319pre
Property Address: 319 Hot Springs Rd	Case No.:
City: Santa Barbara	State: CA Zip: 93108-2009



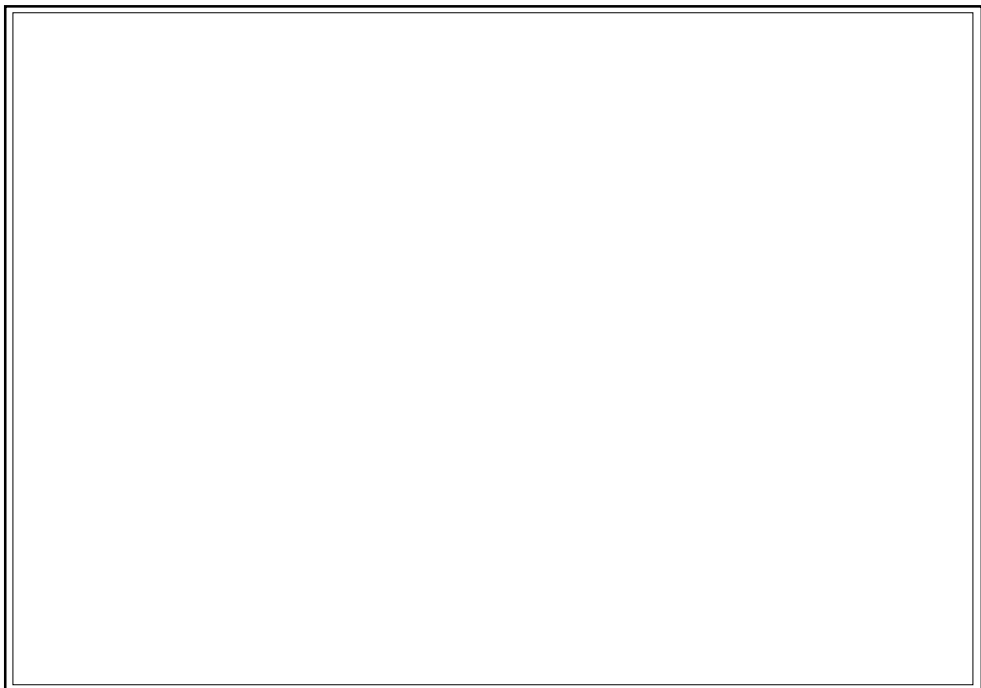
COMPARABLE SALE #7

1059 Summit Rd
Santa Barbara, CA 93108-2413
Sale Date: s07/16;c06/16
Sale Price: \$ 2,825,000



COMPARABLE SALE #8

365 Hot Springs Rd
Santa Barbara, CA 93108-2009
Sale Date: s12/16;c10/16
Sale Price: \$ 3,595,000



COMPARABLE SALE #9

Sale Date:
Sale Price: \$

AERIAL MAP

Client: Farmers & Merchants Trust Company

File No.: htspr319pre

Property Address: 319 Hot Springs Rd

Case No.:

City: Santa Barbara

State: CA

Zip: 93108-2009

