MONTEREY COUNTY

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August 12, 2022

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Sent via email

Re: Continued request to Immediately Cease and Desist Unlawful Operations

Dear Mr. Abell and Ms. Haberle,

I write to reiterate Monterey County's position detailed in my June 24, 2022 correspondence and request certain information in preparation for our meeting on August 31, 2022. Generally, the County requests that Pacaso cease all advertising and sale of fractional ownership of residential properties within incorporated zones where Timeshare Projects are not allowed. The County also requests, if applicable, that Pacaso apply with the County's Housing Community & Development for an appropriate land use entitlement in zones where Timeshare Projects are allowed.

There is still currently an advertisement on your website and others for the fractional ownership of 201 Spindrift Road in the Carmel Highlands [APN – 241301008000, "Property"]. Additionally, we have information that several open houses have recently been held at this Property. The Property is zoned Low Density Residential and is in the coastal zone. Section 20.64.110 of the Monterey County Code states that Timeshare Projects are only allowed in zones where a hotel, motel or similar visitor accommodation use would be permitted and in such a case a Coastal Development Permit is required. Specifically, these permissible zones include the following: High Density Residential, Visitor Serving, and Coastal General Commercial. As such, a Timeshare Project is not allowed at this Property and all advertisements for fractional ownership of this Property should be removed immediately.

In preparation for our meeting on August 31, 2022, I would like to request a sample of Pacaso's purchase agreement, LLC formation/organizing documentation, and agreement with fractional owners for property management services. These documents will assist in verifying Pacaso's adherence to the Monterey County Code in the permissible zones.

I appreciate your attention to this matter. Please feel free to contact me with any questions at donlonklad co.monterey.ca.us or 831-755-5313.

Sincerely,

LESLIE J. GIRARD County Counsel

By:

Kelly L. Donlon

Assistant County Counsel

cc: Monterey County Board of Supervisors
Charles J. McKee, County Administrative Officer
Leslie J. Girard, County Counsel
Erik Lundquist, Director of Housing Community & Development