



The Stanley Group, Inc.

July 26, 2019

Open letter to the Community

Re: Mid Valley Shopping Center

As the new owner of the Mid Valley Shopping Center (we purchased the property a little over a year ago) it is and remains our intention to enhance the shopping center with a “soft modernization” of the exterior while retaining the rustic nature so prevalent in Carmel Valley. This would include creating many social areas where local residents and customers alike could mix to enjoy the atmosphere and catch up with their neighbors, allow young families to spend time outside the house in a fun, safe environment and create more harmony by providing social functions for the community. Our plans include the creation of a small park area for community events, water reduction through drought tolerant plants of up to 75% of current water usage, exterior paint, noise reduction fencing in the rear of the property and many other enhancements to the Shopping Center.

It is extremely important to us to respect the character of Carmel Valley. We are long term holders of property and look forward to many, many years of enjoyment with this Shopping Center through our enhancement of its beauty and character as well as our interaction with our tenants and the community. We have many positive community events in mind which we believe residents such as yourselves will appreciate.

To clarify our intent as it has been vastly distorted in the recent press, we are not planning any increase in building size or square footage. we do not intend to create a tourist destination with the center, but do believe our tenants need and desire to attract more business whether it be local or part of the tourists visiting Carmel Valley to enjoy its weather, restaurants, shops, and other features and benefits.

I'm hopeful the community values not just the auto repair business, but all our tenants, and if so, we need your support to keep them in business. Just during our recent ownership, we have lost a number of our tenants. The Mid Valley Center is old, tired and in need of substantial refurbishment in order to sustain our current tenants and attract new tenants. Like most small businesses today, many are struggling, and we need to find a way to drive additional foot traffic to the center.

With specific regard to some within the community who insist the auto repair shop remain, we have made a decision to rescind our application for the wine tasting room at the Auto Repair location and have agreed to a one year extension subject to their

agreement to reimburse us for normal operational costs of the center (as do all the other tenant's).

As environmentally conscious owners, we struggle with the idea having a tenant with solvents, gas, oil, radiator fluids and other hazardous chemicals just a few feet from the water table of the Carmel River. This causes us great concern, considerable anxiety and creates the potential for tremendous future liability for any hazardous release of toxics into the environment. We do not feel comfortable with such liability on a long-term basis.

We want the center to remain a local, neighborhood center and do not intend to change its character or integrity. A "soft rustic modernization" will go a long way toward bringing the center back to its luster and will provide residents with many more quality options nearby their homes rather than forcing them to drive a considerable distance for their daily needs. We intend to maintain the service nature of the center and will look to attract local tenants who fulfill basic necessities while also bringing a sense of today's needs into play.

Times change and businesses must evolve. When the center was first constructed there was a large movie theater built as part of the center, economics, demographics and time forced it out decades ago and the center was subsequently modified, storefronts changed, roofs adjusted, colors changed to reflect and attract other retail uses active at that time.

Likewise, with the advent of modern times, Amazon and the changing face of retail, changes in demographics and purchasing habits the center must change and evolve. It needs to be more service oriented and have more dining and social options. To remain the same will only result in the continued deterioration of the Shopping Center, loss of tenants and its eventual failure.

We intend to create a small park in the center for the benefit of local residents to sit and enjoy a sandwich, coffee or social hour with their neighbor, a place for young parents to spend time with the children while getting a break from parenting duties (if only for a few minutes). Many social events will be planned such as yoga on the grass, Easter egg hunts, outdoor BBQ, movie nights, etc. all again for the benefit of local residents.

Our goal is to bring back a strong sense of local community by creating and enhancing the Shopping Center to allow for greater social interaction between neighbors. Many residents live in somewhat remote areas or have large lots and do not have the benefit of daily interaction with their neighbors. We envision our center becoming a gathering place for those who desire more social interaction with their community.

We are planning a workshop on the evening of August 6th from 6:00-8:00pm which will allow us to present our ideas to the community and seek input and suggestions. I hope you will attend the workshop and if you are unable, I am happy to personally meet with anyone to discuss the property and our plans.

Everyone may have their own opinion as to our plans, but we have the best of intentions toward the local community and will continue to work toward proving ourselves with our future plans. I think when the dust settles the community will enjoy our plans and ideas, new social areas and appreciate the increased community interaction.

Sincerely,
Russel W. Stanley

A handwritten signature in black ink, appearing to read 'Russel W. Stanley', is placed over a light pink rectangular background.

President
The Stanley Group, Inc.