



Sonoma County Community Development Commission
Sonoma County Housing Authority
1440 Guerneville Road, Santa Rosa, CA 95403-4107

Members of the
Commission

Susan Gorin
Chair

Efren Carrillo
Vice Chair

David Rabbitt
Shirlee Zane
James Gore

Kathleen H. Kane
Executive Director

Request for Proposals and Qualifications **for Development of 20269 Broadway, Sonoma, California**

The Sonoma County Community Development Commission (Commission) is soliciting proposals from qualified developers for construction of an affordable housing project on its property at 20269 Broadway in Sonoma, California. The Commission is seeking qualifications from developers who have demonstrated experience with successful, high-quality affordable housing projects.

This document contains background information about the property and the general parameters of the envisioned development project. Potential respondents are encouraged to ask for additional information, and to suggest alternative project elements or configurations in their responses.

Background

Property Details and History

The subject property is located at the northwest corner of Broadway and Clay Street in the city limits of the City of Sonoma. There is a discrepancy between the parcel size stated in the City of Sonoma General Plan Housing Element (1.97 acres) and the Sonoma County Assessor's records (1.53 acres), so the parcel size would need to be confirmed by a survey at the outset of the development process. A preliminary title report and appraisal associated with the original purchase of the property by the City of Sonoma is attached. Proposals should assume that the size of the property is 1.97 acres for purposes of their proposal, with the developer's proposed project subject to reduction based on the actual size of the parcel.

There is a paper street incorporated into the deed for the property. Respondents should create their proposals assuming that the street as mapped is of no significance, as it is expected that the City will abandon the road for development purposes.

The property is identified as a Housing Opportunity site in the City of Sonoma Housing Element, is located in the Broadway Corridor planning area, and has a zoning designation of Mixed Use. No commercial component is required in the Mixed Use zone, and proposals should address a 100% residential rental development. The Commission will not entertain proposals involving home ownership units in the development. There are no permanent structures on the site, but a portion of the property is leased to Outfront Media, LLC, which has an advertising billboard on the property. The lease expires February 28, 2018, but the lease can be terminated and the billboard removed when development begins.

The property was purchased by the City of Sonoma's Community Development Agency in 2007 using Low & Moderate Income Housing Asset Fund resources. In 2012, when the California Legislature dissolved redevelopment agencies, the property transferred by operation of law to the Sonoma County Housing Authority (which is operated by the Commission) as a "housing asset," which means that the property must be used for affordable housing purposes.



Telephone (707) 565-7500
FAX (707) 565-7583 • TDD (707) 565-7555



The adjoining landowner has expressed interest in potentially making their property available to a developer, and the Commission is open to the possibility of proposals including additional land.

Project Objectives

Consistency with General Plan and Development Code

The project must be consistent with the applicable policies in the City of Sonoma's General Plan and the design guidelines set forth in the Development Code. Exceptions to quantified development standards may be considered through the review process.

Affordability

The residential rental development on the property is required to be affordable to households earning 80 percent or below the area median income (AMI) for a period of 55 years, with a minimum of 30 percent of the units affordable to households with incomes below 30 percent of AMI and no more than 20 percent of the units affordable to households between 60 and 80 percent AMI.

Because the property is to be used for low-income housing purposes, the developer will either have to purchase or lease the property from the Commission for fair market value, or commit to build a specific number of housing units according to the affordability requirements stated above.

The Board of the Commission has a stated priority for the projects which include dedicated housing for those who are currently without homes.

Green/Sustainable Features

The project should comply with the City of Sonoma's requirement that all new residential construction meet California Green Building Standard Code + Tier 1 provisions (excluding Tier 1 Energy Efficiency measures).

Community Process

The Commission expects the selected developer to perform any necessary outreach to the neighborhood surrounding the property, to promote an open communication process, to develop an understanding of neighborhood issues, and to develop a final project that responds to any pertinent neighborhood concerns. The developer should provide a narrative that describes the planned outreach process and the experience the developer has had with this type of process.

Development Standards and Processing

The property has a general plan land use designation and zoning designation of Mixed Use, which is limited to a density of 20 dwelling units per acre, excluding any density bonus. As noted previously, a commercial component is not required in the Mixed Use zone and proposals should address a purely residential rental development.

With respect to the City's Development Code, the property is located in the Broadway Corridor. The standards and guidelines applicable to the Planning Area and the site are attached.

The development of a multi-family project on the site may involve the following discretionary approvals:

- Use permit approval, by the City's Planning Commission
- Planned Development approval, by the City's Planning Commission, if changes from the quantified standards of the Development Code are proposed
- Design review, by the City's Design Review Commission

The project will be subject to environmental review. Proposers should evaluate and describe the type of environmental review that would be required for their proposed project.

Proposal Submission Requirements

Form

Respondents must submit two hard copies of the signed proposal.

An electronic form of the proposal must also be submitted via one of two options: through the Sonoma County Purchasing Division's Supplier Portal or directly to the Commission. The link to the Supplier Portal is: <https://esupplier.sonomacounty.ca.gov/psp/FNPRD/SUPPLIER/ERP/h/?tab=DEFAULT>. The address for submitting directly to the Commission is: John.Haig@sonoma-county.org. Hard copies proposals must be enclosed in a sealed envelope or package and clearly marked: **20269 Broadway Development**.

Proposals should be submitted to: Sonoma County Community Development Commission, Attn: John Haig, 1440 Guerneville Road, Santa Rosa, CA 95403.

Due Date

Written and electronic proposals both must be received by the Commission in its office at 1440 Guerneville Road, Santa Rosa, no later than 5:00 p.m., October 23rd, 2015. The due date is subject to change. If the due date is changed, all known recipients of the original RFP will be notified of the new date, and any such changes will also be posted on the Sonoma County Purchasing Division's Supplier Portal as well as the Commission's website.

Format and Contents

For ease of review and to facilitate evaluation, the Proposal for this project should be organized and presented in the following order:

1. Signed Cover Sheet (Sample Form Attached)

2. Project Overview

The proposal should include a narrative description of the development being proposed, as well as a preliminary conceptual plan that should include the following:

- Sketches, photos, and/or illustrations
- Rough architectural diagrams
- Descriptive narrative, including the proposed resident population being targeted
- Appropriate services for any special needs residents, if proposed
- Unit/building height
- Development size and density
- Configuration (type of units)
- A breakout of the number of homes in the proposal at each affordability level, and number of bedrooms in each home proposed at each affordability level in the project
- Setbacks (front, side, back)
- Parking (e.g., number, garages, carports, locations, visitor parking)
- Building materials (stucco, siding, tile, etc.)
- Landscape
- Process for identifying and responding to community/neighborhood considerations
- Details of resident common areas

The proposal should also include an anticipated timeline for development, an estimation of project cost, and a preliminary description of proposed funding sources and financing structure.

3. Financing Plan

The proposal should include all funding sources and amounts of funding anticipated to be used to develop the project, including any local funding which is anticipated to be required from the Commission.

4. Organizational Information

- a. Provide specific information concerning your organization, including the legal name, address and telephone number of your company and the type of entity (sole proprietorship, partnership, or corporation and whether public, non-profit or private). Include the name and telephone number of the person(s) in your company authorized to execute any proposed agreement, and designate a person to be the point of contact for the Commission for this process.
- b. Debarment or Other Disqualification: Disclose any debarment or other disqualification as a vendor for any federal, state or local entities. Describe the nature of the debarment/disqualification, including where and how to find complete information on any such debarment or disqualification.

5. Qualifications

- a. Include resume(s) of key personnel showing relevant professional qualifications. Include references or letter of recommendations that address these qualifications.
- b. Provide specific information concerning the organization's experience in the development of similar properties. If available, provide examples of your development of projects in partnership with public agencies.

Respondent Questions and Pre-Submission Meeting

Respondents are invited to attend an optional conference scheduled on September 25th at 2 p.m. The conference will be held at the Sonoma County Community Development Commission office, 1440 Guerneville Road, Santa Rosa, CA. 95403. Although the conference is optional, attendance is highly encouraged and may factor into the proposal evaluation process.

If respondents have any additional questions following the conference, they must be submitted in writing before October 9th, 2015 by 5 p.m., in order for staff to prepare written responses. Written questions and answers will be shared with all potential responders through a version update to the Sonoma County Purchasing Division's Supplier Portal and an email notification from both the Purchasing Division and the Commission. Please e-mail questions to John.Haig@sonoma-county.org. Questions will not be accepted by phone.

Reservation of Rights

The issuance of this RFP does not constitute an agreement by the Commission that any contract will actually be entered into by the Commission. The Commission expressly reserves the right at any time to:

- a. Waive or correct any defect or informality in any response, submittal, or submittal procedure.
- b. Reject any or all submittals.
- c. Re-issue an RFP or change deadline dates.
- d. Modify all or any portion of the selection procedures, prior to the submission deadline, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the submittals.

All submittals shall be deemed public records. In the event that a respondent desires to claim portions of its submittal exempt from disclosure, it is incumbent upon the respondent to clearly identify those portions with the word "confidential" printed on the lower right-hand corner of the page. The Commission will consider a respondent's request for exemption from disclosure; however, the Commission will make a decision based upon applicable laws. Assertions by a respondent that the entire submittal or large portions are exempt from disclosure will not be honored. All responses to this RFP shall become the property of the Commission and will be retained or disposed of accordingly.

The Commission shall not be liable for any pre-contractual expenses incurred by any respondent. The Commission shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFP.

All data and information furnished by Commission or referred to in this RFP are furnished for the respondent's convenience. The Commission does not guarantee that such data and information are accurate and assumes no responsibility whatsoever as to its accuracy or interpretation. Respondents shall satisfy themselves as to the accuracy or interpretation of all such information and data.

By submitting a proposal in response to this RFP, the respondent waives all rights to seek any legal remedies regarding any aspect of this RFP, the Commission's selection of a consultant, and the Commission's rejection of any and all submittals.

The Commission also reserves the right to negotiate any price or provisions and accept any part, or all parts of any or all submittals, whichever is in the best interest of the Commission.

The Commission may, during the evaluation process, request from any respondent additional information which the Commission deems necessary to determine the respondent's ability to perform the required services. If such information is requested, the respondent shall be permitted three (3) working days to submit this information.

All respondents submit their statements to the Commission with the understanding that the final approval of any agreement is contingent upon and subject to review and final approval by the Board of Commissioners.

For additional information on this RFP, please contact John Haig, Deputy Director for Community Development, at John.Haig@sonoma-county.org.

Criteria

All proposals received by the specified deadline will be reviewed by the Commission for content, including but not limited to responsiveness to the requirements of this RFP, consistency of the proposed conceptual project to the General Plan, references, related experience, viability of preliminary financial plan, and the respondent's professional qualifications, using the following general criteria (note that there is no value or ranking implied in the order of this list):

- a. Demonstrated ability to design and construct the development as described.
- b. Compliance with applicable General Plan policies and Development Code guidelines.
- c. A community outreach strategy that assures that the community has an opportunity to participate in and comment on the design and features of the project.
- d. The viability of the preliminary financing plan and the financial condition of the respondent, and the level of local subsidy required for the project.
- e. A demonstrated history of completing affordable housing developments in other areas;
- f. Completeness and quality of proposal.

- g. Quality of references.
- h. Any other factors the evaluation committee deems relevant.
- i. Status as a local business, as evidenced by completion of the Declaration of Local Business for Services (Sample form attached).
- j. Submission of preliminary site planning and design documents that are compatible with neighboring development.
- k. A demonstrated understanding of how the new development must comply with City, County, and federal program affordability requirements, depending upon funding source.
- l. Depth of affordability of homes in the project over minimums legally required, including the number of homes dedicated to housing for those currently without homes.

Schedule

Release of Request for Proposals (RFP) – September 14, 2015

Pre-Submission Conference – October 2, 2015, 2:00 p.m.

Reminder Letters Regarding RFP – September 25, 2015 and October 16, 2015

Written Questions to Staff due October 16, 2015, 5:00 p.m.

Responses to Written Questions provided by October 23, 2015

Deadline for Submittal – October 30, 2015, 5:00 p.m.

Screening and Analysis – November 2–November 16, 2015

Interview Finalists – Week of November 30, 2015

Recommendation to the Board of the Commission for Developer Selection – December 2015

Development, Negotiation, and Execution of Disposition & Development Agreement (DDA) – 2016

Board of Supervisors Hearing on DDA – 2016

Attachments

1. Development Code Standards and Guidelines
2. Cover Sheet
3. Declaration of Local Business for Services
4. Preliminary Title Report
5. Property Appraisal

19.32—BROADWAY CORRIDOR

Sections

19.32.010—Existing Conditions, Desired Future, Potential Changes

19.32.020—Project Planning and Design Standards

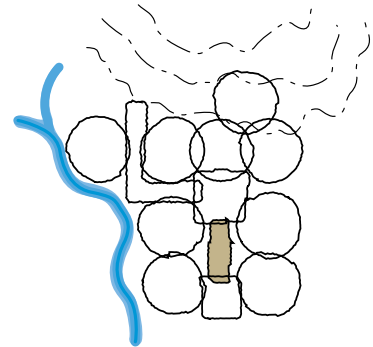
19.32.010—Existing Conditions, Desired Future, Potential Changes

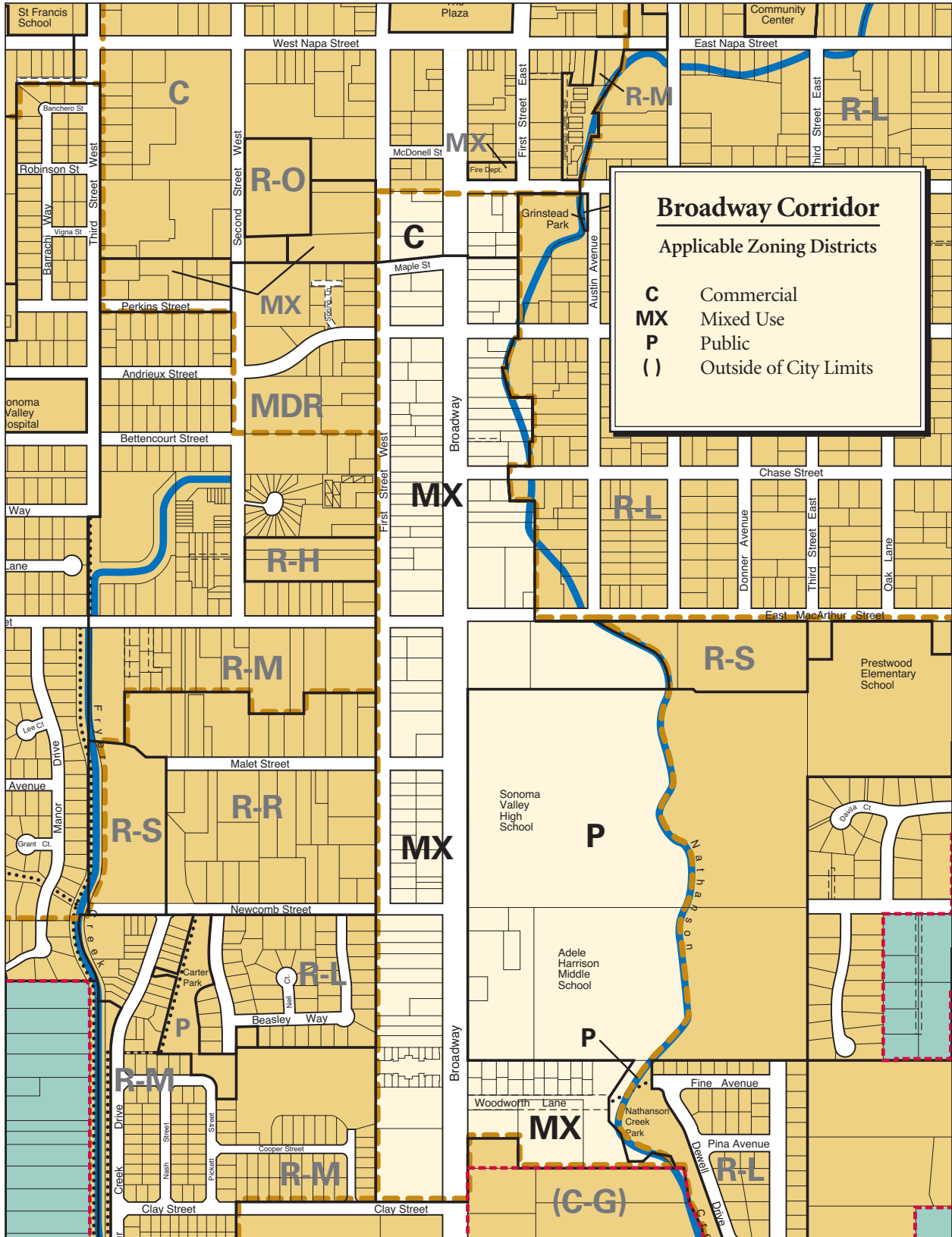
- A. *Existing conditions.* Connecting the southern gateway to the downtown, the Broadway corridor possesses considerable historic, visual, and functional significance. Historically, Broadway completes the Camino Real or “Royal Road” of Spanish/ Mexican mission settlements. Visually, Broadway provides a grand entrance to downtown Sonoma with its axial view of the Plaza, city hall, and the northern hills, its 110-foot right-of-way, and its procession of street trees. Functionally, Broadway is a segment of state route 12 and is a major traffic arterial. The Broadway corridor is flanked by residential areas, with Nathanson Creek forming its eastern edge and First Street West its western boundary. Parcels along Broadway tend to be long and narrow (to widths of 50 feet) and some have double frontages.

North of MacArthur Street, Broadway possesses a clear visual organization defined by historic structures with landscaped front yards and generally regular setbacks, street trees, and a consistent street width. South Broadway, in contrast, features a patchwork of older (but not historic) commercial buildings, new commercial and multi-family residential development, historic single-family homes and remnant agricultural buildings. These uses are interspersed with vacant parcels. However, the dominant use on south Broadway, in terms of area, appearance, and intensity, is the high school. Street improvements along South Broadway are inconsistent.

Existing land uses include:

- Retail, office and mixed-use, often in adaptively-reused historic buildings;
 - Single family residences;
 - Duplexes, apartments, and small multi-family development;
 - A hotel;
 - The Sonoma Valley High School and the Adele Harrison Middle School;
 - A nursing home; and
 - Scattered vacant parcels.
- B. *Desired future.* Historic structures on Broadway will be preserved, restored and re-used, while new development will respect and contribute to the character of the area. Mixed use development will be directed so as to retain the predominantly





residential character of First Street West while enlivening Broadway with small-scale retail, office, and residential uses. With respect to the High School and the Middle School, careful placement of playing fields, parking and school uses will be required in order to assure compatibility with neighboring residential areas.

- C. **Potential changes.** South of MacArthur Street, Broadway will be improved to a consistent configuration. Gaps in the sidewalk system and street tree plantings will be closed. Intersection improvements may ultimately be needed at Broadway/Andrieux Street. With the expansion of the high school, its main entrance has been aligned with Newcomb Street and a traffic signal has been installed at that intersection. The gains in pedestrian safety associated with this improvement will only be fully realized if the high school frontage is redesigned to prevent pedestrians from crossing at the Malet Street intersection.

19.32.020—Project Planning and Design Standards

A. *Site planning standards.*

- 1. **Residential density.** The following residential densities and minimum lot sizes apply to new subdivisions within the different zoning districts of the Broadway corridor..

**Table 3-22
 Lot Size and Residential Density Requirements**

Zoning District	Number of Dwellings Per Parcel ¹	Minimum Lot Size
C (Commercial)	20 per acre, maximum	8,000 sq. ft.
MX (Mixed Use)	20 per acre maximum	8,000 sq. ft.

Notes:

- 1. Densities do not include density bonus. See [Chapter 19.44](#).

- 2. **Setbacks, site coverage, and open space.** Proposed development shall be designed and constructed in compliance with the requirements set forth in Table 3-23 and 3-24, following.
- 3. **Driveways and parking.** Parking areas should located at the rear or along the side of properties and should be discouraged in front of buildings. Parking areas shall be screened from adjacent residential zoning districts and land uses. See [Chapter 19.48 \(Parking and Loading Standards\)](#). Driveways along Broadway shall be minimized when possi-

**Table 3-23
 Broadway Corridor: Additions and Replacement Structures**

Development Feature	Requirements by Zoning District <i>Setbacks, Site Coverage, Open Space and Height</i>	
	C	MX
Setbacks	<i>Minimum setbacks required for primary structures. See Section 19.40.110 for setback measurement, allowed projections into setbacks, exceptions, and design guidelines for setbacks.</i>	
<i>Front/ Streetside</i> ¹	Replacement structures: the same location as the original structure. ² Additions to existing structures: 15 ft.	Replacement structures: the same location as the original structure. ² Additions to existing structures: 20 ft.
<i>Side: One-story</i>		5 ft minimum, 15 feet combined.
<i>Side: Two-story</i>	None required, except when abutting a residential zone, in which case the corresponding setback in the residential shall apply.	2 feet for every 5 feet (or fraction thereof) of height above 15 feet, ³ in addition to the normal requirement for one story structures.
<i>Rear</i>		15 ft, except when abutting a residential zone, in which case the corresponding setback in the residential zone shall apply.
<i>Parking Areas</i>	Garages shall be set back 20 feet from the main structure. Parking areas should normally be located along the sides and to the rear of a property and should be minimized or avoided in front of buildings.	
F.A.R./ Coverage	<i>Floor Area Ratio: Maximum building area as a ratio of site area, excluding porches, cellars, attics, detached garages (up to 400 square feet), and underground parking. Coverage: Maximum site coverage as a percentage of site area, excluding porches and detached garages.</i>	
<i>F.A.R.</i>	0.60	1.0
<i>Coverage</i>	60%	60%
Open Space	<i>See Section 19.40.070 for design requirements.</i>	
<i>Commercial</i>	7%-11% of site.	7%-11% of site.
<i>Residential</i>	300 square feet per unit (any combination shared or private).	300 square feet per unit (any combination shared or private).
Height	<i>Ridge height measured from finished grade. See Section 19.40.040 for applicability and exceptions.</i>	
<i>Primary Structure</i>	30 ft.	30 ft.

Notes:

1. A front porch may extend up to 10 feet into front setback (or street-side setback for wrap-around porches).
2. A replacement structure shall not exceed 10% of the height or area of the original structure unless a use permit is obtained.
3. Measured at wall, not ridge.

**Table 3-24
Broadway Corridor: New Development**

Development Feature	Requirements by Zoning District <i>Setbacks, Site Coverage, Open Space and Height</i>	
	C	MX
Setbacks	<i>Minimum setbacks required for primary structures. See Section 19.40.110 for setback measurement, allowed projections into setbacks, exceptions, and design guidelines for setbacks.</i>	
<i>Front/ Streetside</i> ¹	15 feet or within the range of adjacent structures on either side.	
<i>Side: One-story</i>		5 ft minimum, 15 feet combined.
<i>Side: Two-story</i>	None required, except when abutting a residential zone, in which case the corresponding setback in the residential shall apply.	2 feet for every 5 feet (or fraction thereof) of height above 15 feet, ² in addition to the normal requirement for one story structures.
<i>Rear</i>		15 ft, except when abutting a residential zone, in which case the corresponding setback in the residential zone shall apply.
<i>Parking Areas</i>	Garages shall be set back 20 feet from the main structure. Parking areas should normally be located along the sides and to the rear of a property and should be minimized or avoided in front of buildings.	
F.A.R./ Coverage	<i>Floor Area Ratio: Maximum building area as a ratio of site area, excluding porches, cellars, attics, detached garages (up to 400 square feet), and underground parking. Coverage: Maximum site coverage as a percentage of site area, excluding porches and detached garages.</i>	
<i>F.A.R.</i>	0.60	1.0
<i>Coverage</i>	60%	60%
Open Space	<i>See Section 19.40.070 for design requirements.</i>	
<i>Commercial</i>	7%-11% of site.	7%-11% of site.
<i>Residential</i>	300 square feet per unit (any combination shared or private).	300 square feet per unit (any combination shared or private).
Height	<i>Ridge height measured from finished grade. See Section 19.40.040 for applicability and exceptions.</i>	
<i>Primary Structure</i>	30 ft.	30 ft.

Notes:

1. A front porch may extend up to 10 feet into front setback (or street-side setback for wrap-around porches).
2. Measured at wall, not ridge.

ble, by combining driveways, using alleys, or designing development so that access is provided from local streets.

4. **Natural features.** Natural environmental amenities including creeks, streams and other drainage courses; and mature trees shall be preserved by being incorporated into site plan design and layout. Appropriate enhancement or protective measures shall be included in plans where determined necessary by the Planning Commission. See creek development ([Section 19.40.020](#)) and landscaping standards and design guidelines ([Section 19.40.060](#)), and the Tree Preservation Ordinance for specific tree preservation requirements and guidelines.
5. **Screening and buffering.** Multi-family developments shall require screening and buffering of parking and driveway areas, and noise and light sources. See [Chapter 19.46 \(Fences, Hedges and Walls\)](#), and landscape standards and guidelines ([Section 19.40.060](#)).

B. Building design.

1. **Height and profile.** Proposed structures shall not exceed a maximum height of 30 feet. For structures in excess of fifteen feet located within the MX zone, side setbacks shall be increased by two feet for each additional five feet in height. See [Section 19.40.040](#) for height measurement and exceptions.
2. **Building types—Guidelines for residential structures.** Proposed dwellings should be placed on their sites so that the narrow dimension of the structure is parallel to the narrow dimension of the parcel, and so that the primary entrance to the dwelling faces the public street, or is accessible from a porch or other entry element which faces the street.
3. **Building types—Guidelines for commercial and mixed-use structures.** New commercial and mixed use buildings and alterations to existing structures should contribute to the established Broadway streetscape. In reviewing proposals for commercial and mixed development and redevelopment, the review authority (the Planning Commission or the Design Review Commission, as applicable) shall make use of the following guidelines:
 - a. Proposed dwellings should be placed on their sites so that the narrow dimension of the structure is parallel to the narrow dimension of the parcel, and so that the primary entrance to the building faces the public street.
 - b. Buildings should reinforce the scale, massing, proportions and detailing established by other significant historic buildings in the vicinity (if any).
 - c. The massing of larger commercial and mixed use buildings (5,000 square feet or greater) should be broken

down to an appropriate scale through the use of store-fronts and breaks in the facade.

- d. Architectural styles and details that reflect the Sonoma vernacular should be used. Along Broadway, Victorian and other residential architectural styles are more typical than purely commercial building types. The use of durable, high quality materials is encouraged.
- e. Site design and architectural features that contribute to pedestrian comfort and interest, such as awnings, recessed entrances, and alleys, are encouraged.
- f. In renovations involving historic buildings, authentic architectural details should be preserved and any new detailing and materials should be compatible with those of the existing structure. Pre-existing alterations that diminish a building's historic qualities should be removed when the opportunity arises. (See [Chapter 19.42—Historic Preservation and Infill in the Historic Zone.](#))
- g. Building types, architectural details and signs having a generic or corporate appearance are strongly discouraged. Chain stores and franchises are not prohibited along Broadway, but such uses must respect and contribute to the historic qualities of the area in terms of building design and signs.

Broadway Corridor: Summary of Guidelines and Recommendations

Circulation Improvements:

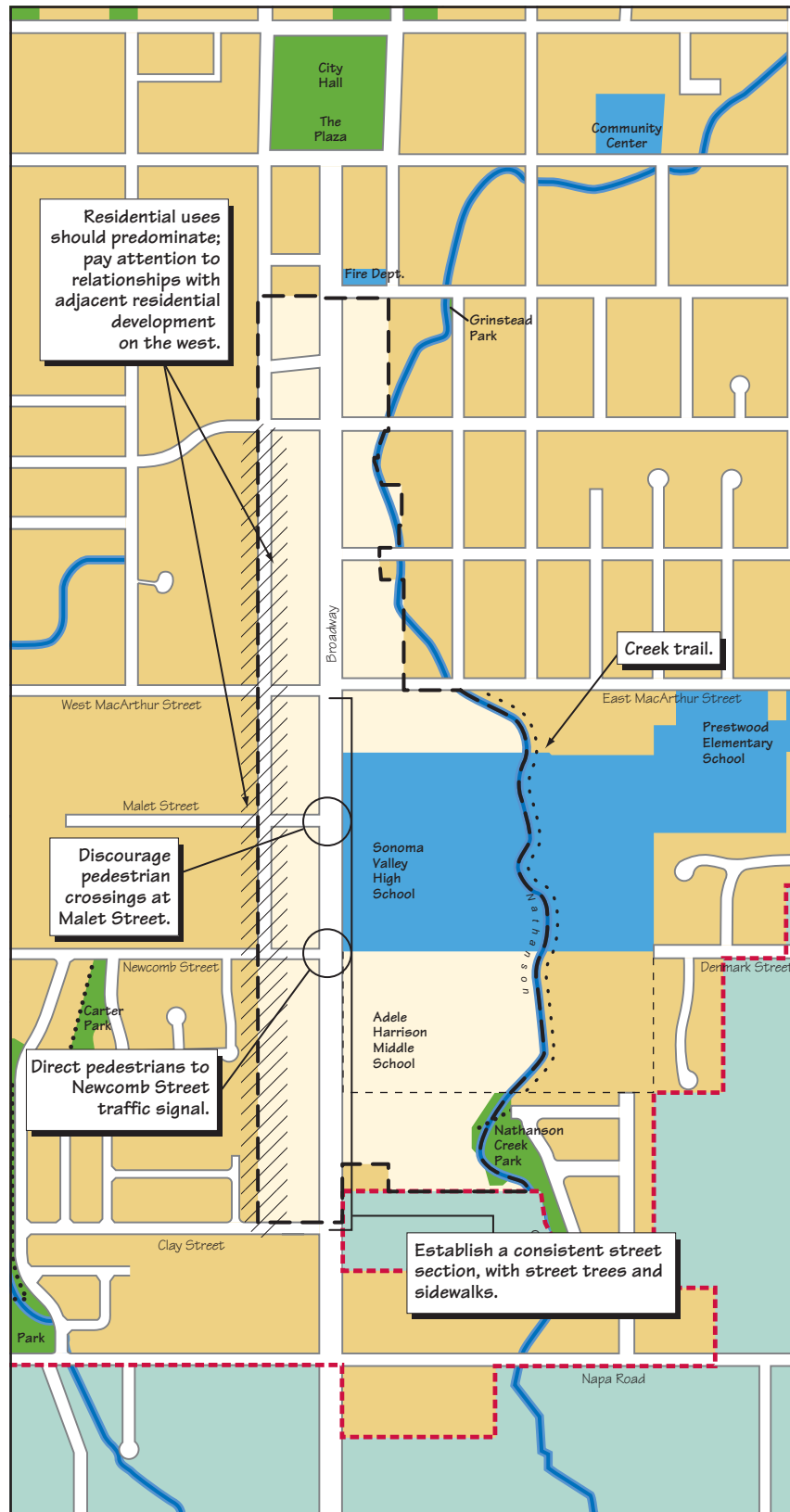
- Along Broadway, south of MacArthur, provide a consistent street section with bike lanes, curb, gutter, planter strips, sidewalks, and street trees.
- Design frontage improvements so that pedestrians are discouraged from crossing Broadway at Malet Street.
- Between Broadway and First Street West, install sidewalks along Newcomb and Malet Street.
- Implement the creekside bike/walking path on the east side of Nathanson Creek. Look for opportunities to make connections to it.

Development Guidelines:

- Preserve, restore and re-use historic structures.
- New development should contribute to the established character of the area through the use of consistent setbacks and traditional building types.
- While individual projects may vary, the overall intent for First Street West south of Andrioux Street is to maintain a predominantly residential character.
- Development along Broadway must include appropriate transitions to adjacent residential uses.
- Parking areas should be located to the side and rear of properties, while minimized or avoided in front. Garages should be set back from the main residence.

High School:

- The High School and the new Middle School should be integrated with the surrounding area, not set apart. Parking, fields, lights and buildings should be carefully placed to minimize conflicts with adjacent residences.



Attachment 2

Request for Proposals and Qualifications for Development of 20269 Broadway, Sonoma, California: Cover Sheet

Individual/Agency Name: _____

Mailing Address: _____

E-mail Address: _____

Telephone Number: _____

Primary Contact Person: _____

The Proposer certifies that all documents listed below are valid as of the date of this proposal and that current, dated copies have been submitted with this proposal. All items must be included in the response to the Request for Preliminary Proposals in order to meet minimum qualifications. Please organize proposal materials in the order listed below.

Signature: _____ Date: _____

Check items included in the proposal (two hard copies):

- | | |
|---------------------------------|--------------------------|
| Proposal Coversheet (this page) | <input type="checkbox"/> |
| Project Overview | <input type="checkbox"/> |
| Financing Plan | <input type="checkbox"/> |
| Organizational Information | <input type="checkbox"/> |
| Qualifications | <input type="checkbox"/> |

Attachment 3:
Declaration of Local Business For Services

Sonoma County gives local businesses a preference in formal solicitations of services as set forth in the County of Sonoma Local Preference Policy for Services.

In order to qualify for this preference, a business must meet *all* of the following criteria:

1. For businesses with a location in a city within Sonoma County, a valid business license if required by the city; and
2. A valid physical address located within Sonoma County from which the vendor or consultant operates or performs business on a day-to-day basis.

By completing and signing this form, the undersigned states that, under penalty of perjury, the statements provided herein are true and correct and that the business meets the definition of a local business as set forth in the County of Sonoma Local Preference Policy for Goods.

All information submitted is subject to investigation as well as disclosure to third parties under the California Public Records Act. Incomplete, unclear, or incomprehensible responses to the following will result in the bid not being considered for application of the County's local preference policy. False or dishonest responses will cause the rejection of the bid and curtail the declarant's ability to conduct business with the County in the future. It may also result in legal action.

1. Legal name of business: _____

2. Physical address of the principal place of business.

3. Business license issued by incorporated city within the County:

License Number _____

Issued by: _____

Authorized Signature: _____ Date: _____

Printed Name & Title: _____



**Attachment 4: Preliminary Title
Report**

1st Supplemental

First American Title Company

**561 First Street West
Sonoma, CA 95476**

Escrow Officer: Debbie James (DJ)
Phone: (707)938-1800
Fax No.: (707)938-8942
E-Mail: debjames@firstam.com
Owner: Ranzani
Property: 20269 BROADWAY
SONOMA, CA 95476

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of March 08, 2007 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

DOLORES M. RANZANI, A MARRIED WOMAN, AS TO A LIFE ESTATE; ALBERT M. RANZANI AND DOLORES M. RANZANI, AS TRUSTEES OF THE ALBERT M. RANZANI AND DOLORES M. RANZANI REVOCABLE LIVING TRUST - 1993 CREATED PURSUANT TO DECLARATION IF TRUST DATED AUGUST 20, 1993; BENJAMIN L. PEDRANZINI, A MARRIED MAN; KAREN M. LOWE, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY; AND GARY L. BIANCHINI, A UNMARRIED MAN AS TO THE REMAINDER

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2007-2008, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 1 (SCHELL-VISTA FIRE STATION PROJECT) ("CFD NO. 1"), as disclosed by Notice of Special Tax Lien recorded OCTOBER 29, 1999 as INSTRUMENT NO. 1999135673 of Official Records.
4. An easement for UTILITY EASEMENT and incidental purposes in the document recorded DECEMBER 1, 1998 as INSTRUMENT NO. 1998-0143540 of Official Records.
5. The fact that the land lies within the boundaries of the SONOMA COMMUNITY Redevelopment Project Area, as disclosed by the document recorded JANUARY 31, 2000 as INSTRUMENT NO. 2000009413 of Official Records.

Document(s) declaring modifications thereof recorded MAY 8, 2002 as INSTRUMENT NO. 2002072080 of Official Records.

6. An easement for UTILITY EASEMENT and incidental purposes in the document recorded FEBRUARY 26, 2004 as INSTRUMENT NO. 2004025934 of Official Records.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. General and special taxes and assessments for the fiscal year 2006-2007.

First Installment:	\$1,152.10, PAID
Penalty:	\$0.00
Second Installment:	\$1,152.10, PAID
Penalty:	\$0.00
Tax Rate Area:	006-031
A. P. No.:	128-181-001

2. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) SINGLE FAMILY RESIDENCE known as 20269 BROADWAY, SONOMA, CALIFORNIA, 95476.

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

4. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
5. Basic rate applies.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of SONOMA, State of CALIFORNIA, described as follows:

LOT 202, IN SAID FORMER PUEBLO OR EX-CITY OF SONOMA, AS THE SAME ARE KNOWN, NUMBERED AND DESIGNATED UPON THE OFFICIAL MAP OR PLAT OF SAID FORMER PUEBLO OR EX-CITY.

ALSO ALL THE NARROW STRIPS OF LAND, FORMERLY STREETS, LYING AND EXTENDING BETWEEN LOTS 188 AND 189, NOS. 202 AND 203, NOS. 204 AND 205, NOS. 189 AND 184, AND BETWEEN LOTS NOS. 190 AND 183.

ALSO SO MUCH OF THE STREET AS MAY BE ENCLOSED BETWEEN LOTS 190 AND 191.

APN: 128-181-001

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1987 EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - * land use
 - * land division
 - * improvements on the land
 - * environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998 ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

a. building	b. zoning
c. land use	d. improvements on the land
e. land division	f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8 (e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification.
 This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: NONE.

13. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: None.

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

SUMMARY APPRAISAL REPORT

*Mixed Use Development Site
20269 Broadway
Sonoma, California 95476
APN - 128-181-001
Sonoma County Community Development Commission*

Prepared for:

**Kathleen H. Kane, Executive Director
and John Haig, Redevelopment Manager
Sonoma County Community Development Commission
1440 Guerneville Road
Santa Rosa, CA 95403-4107**

Prepared by:

**Raymond B. Mattison, ASA, MAI
Mattison Associates - Commercial Appraisers
4000 Montgomery Drive, Suite A-2
Santa Rosa, CA 95405**

“AS IS” Valuation Date: August 14, 2012

Report Date: October 5, 2012

Raymond B. Mattison, ASA, MAI
Mattison Associates — Commercial Appraisers

4000 Montgomery Drive, #A-2 • Santa Rosa, CA 95405
Mailing Address: P.O. Box 507 • Santa Rosa, CA 95402-0507
Telephone: 707-575-0200 • FAX: 707-575-5933
e-mail: mat2apr3@sonic.net

October 5, 2012

APPRAISAL REPORT - TRANSMITTAL LETTER

**Kathleen H. Kane, Executive Director
and John Haig, Redevelopment Manager
Sonoma County Community Development Commission
1440 Guerneville Road
Santa Rosa, CA 95403-4107**

Dear Ms. Kane and Mr. Haig:

***Ref: Mixed Use Development Site - MX Zoned Land
20269 Broadway, Sonoma, California 95476
Assessor's Parcel No. 128-181-001***

The *purpose* of this appraisal is to provide an opinion of the “*as is*” market value of the vacant mixed use zoned development parcel at the northwest corner of Broadway (Highway 12) and Clay Street in southern Sonoma in the Broadway Corridor. The *client* is the Sonoma County Community Development Commission (SCCDC), to which this property was recently transferred from the Sonoma Community Development Agency that was dissolved by the City of Sonoma.

The *intended use* of the information and value opinion contained in this report is to assist the client with regard to a potential real estate divestiture decision and establishing a price for potential future negotiations. *Intended users* of the appraisal report are Kathleen Kane and John Haig of SCCDC, authorized county officials and county legal/financial advisors. Public records show title to the site is still held by the Sonoma Community Development Agency which was dissolved and whose properties were transferred to the SCCDC.

The City of Sonoma General Plan - Housing Element refers to the subject Mixed Use site as 1.97 acres, with “realistic development potential” of 39 residential units. At least 50% of the uses must be residential; up to 50% commercial use may be allowed. Assessor's Parcel Map No. 128-18 dated April 7, 2009 shows the following dimensions of this nearly square parcel:

North boundary adjacent to an office building on a 1.17± acre site	297.72 ft.
East boundary at Broadway (Highway 12)	288.24 ft.
South boundary at Clay Street (formerly Prussia St.)	298.46 ft.
West boundary adjacent to St. Francis Place subdivision developed 1998	288.63 ft.

The calculated parcel size based on these dimensions, subject to survey confirmation, is 86,000± sf or 1.97± acres, as shown in the Sonoma General Plan. A parcel size discrepancy exists. Assessor's records show the site as 66,647± sf or 1.53± acre. The 0.44± acre variance may reflect the older parcel size before First Street West on the western boundary was abandoned by the City.

The legal description in a 2007 title report and recorded deeds does not show metes and bounds or parcel size, but does refer to former streets as being included. A survey is needed to confirm the exact parcel size including any right-of-way dedications or easements. The appraiser relied upon the dimensions shown on the parcel map and data on file with the City of Sonoma.

As of the valuation date, the client reported no specific buyer or developer interest. The subject is one of several identified residential and/or mixed use zoned sites with utilities available in the city of Sonoma. Few mixed use, residential and commercial zoned parcels are being marketed for sale, some with entitlements approved or in progress. The site was acquired by the Sonoma Community Development Agency October 23, 2007 for a reported price of \$2,500,000. The old rural residential structures and out-buildings were demolished to provide a vacant buildable site. It was not listed or being marketed privately for sale as of the valuation date per the client. No specific purchase offers or letters of intent or prior listings were reported within the past three years per SCCDC staff.

The City of Sonoma negotiated the Broadway property purchase in March 2007 at the top of the real estate market when housing was still in high demand and developers could still get competitive financing, and would pay premiums for well located buildable sites without entitlements already in place. The sale closed in October 2007 when the market was still in denial according to economists, lenders, brokers and cautious investors. The 38% indicated price decline over five years - 2007 to 2012 - is less severe than price declines for many other development sites for subdivisions, PUD projects, commercial and mixed uses – sometimes ten cents on the dollar. Sites with project plans, entitlements and even finished lots with all site work done have been sold or are being marketed for fractions of previous reported prices. There is still significant unsold and unabsorbed development land in the local and regional market, and few lenders are making loans for construction or land purchases. Distress, bankruptcy and REO sales still dominate the market which favors “bottom feeders” and speculators seeking deep discounts for long-term land holds.

The subject site is appraised as a buildable mixed use site, vacant and available for development, under the current mixed use zoning with 20 residential units per acre maximum density and a 20% potential density bonus for affordable housing; up to 50% commercial use is permitted. Other uses may be allowed under conditional use permits and/or specific project approvals. Any entitlements or uses or zoning modifications are too speculative to consider without specific project plans that have been reviewed and/or approved by the City of Sonoma. This valuation is provided without consideration for assemblage or reconfiguration of this or other nearby lots for entitlements for any particular proposed or hypothetical project or special purpose use or specific density bonus that may be provided for affordable housing.

A Summary Narrative Appraisal Report is attached. It is intended to conform with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP) relating to summary reports, and with the Codes of Professional Ethics and Standards of the American Society of Appraisers and Appraisal Institute. Adequate information regarding the investigation, supporting data and analyses were provided, as requested. Market sales and listing comparables are considered reasonable and relevant to this valuation under the sales comparison approach. There was insufficient project information or cost data to provide a land residual analysis under the income approach or cost approach. That was beyond the scope of this assignment. This appraisal report is being treated as confidential. Disclosure of the contents of this report or any part of same to any third party other than individuals authorized by the client is strictly prohibited, and would render this appraisal invalid.

The vacant site is appraised "as is" as raw development land without project plans or tentative map or any entitlements or pre-conditions. It is not known whether the site is affected by any onsite or offsite environmental hazards that would require regulated inspection or remediation. It is assumed that the City of Sonoma and SCCDC would be responsible for any disclosures or remediation (if warranted) and that an "as is" sale would provide a "clean" site without known hazards requiring remediation by a prospective buyer or developer.

The *effective "as is" date of value* is August 14, 2012, the inspection date. The client understands any substantive change in regional / local economic/market conditions could materially impact value. Any changes in use, general plan/zoning/other regulations, environmental conditions, demolition, alterations to the property would also be considered with regard to the level of risk and impact upon value.

The final opinion of the *"as is" fee simple market value* of the subject parcel is as follows:

Raw land - up to 39 PUD residential units plus common area; up to 50% commercial uses allowed per City of Sonoma	39 units - pad sites +common area at \$40,000 per raw unentitled potential residential unit = \$1,560,000 indicated value
Raw land - development site for mixed residential and commercial uses	86,000± sf at \$18/sf = \$1,548,000, rounded to \$1,550,000 indicated value
Reconciled Opinion of Value	\$1,550,000

**ONE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS
(\$1,550,000)**

Marketing Time/Exposure Period: Up to twelve months for a "normal" marketing time, or longer, if professionally marketed and exposed to end-users and real estate investors and developers on the open market. A longer marketing time could occur because of due diligence issues such as environmental investigation, remediation, engineering, surveys, wetland/soils studies, mitigation, plans, entitlements, permit processing, etc.

I hereby certify that the property has been inspected and that I have impartially considered all data collected in the investigation. Further, I have no interest in the property, neither past, present or anticipated in the future. It is noted that this letter must remain attached to the report which contains 42 pages, and related tables, exhibits and Addenda, in order for the value opinion set forth above to be considered valid.

Respectfully submitted,



Raymond B. Mattison, ASA, MAI
California State Certification No. AG005292 (Expires: October 2, 2014)

TABLE OF CONTENTS

TRANSMITTAL LETTER	
EXECUTIVE SUMMARY	1
PROPERTY RIGHTS APPRAISED & OTHER DEFINITIONS	7
VALUE DEFINITIONS	8
SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS	9
GENERAL ASSUMPTIONS AND LIMITING CONDITIONS	10
CERTIFICATION	12
SCOPE AND REPORTING PROCESS	13
MARKETING TIME AND EXPOSURE PERIOD	14
AREA MARKET OVERVIEW & NEIGHBORHOOD ANALYSIS	15
Sonoma Valley Area Analysis	15
Neighborhood Analysis - City of Sonoma - Southern Sector & Broadway Corridor	18
HIGHEST AND BEST USE ANALYSIS	28
As Though Vacant	28
As Improved	29
APPRAISAL METHODOLOGY	30
VALUATION ANALYSIS	32
Sales Comparison Approach	32
Land Comparables Summary	34
Land Comparables Analysis	35
RECONCILIATION AND FINAL OPINION OF "AS IS" MARKET VALUE	41

ADDENDA

SUBJECT PHOTOGRAPHS
GRANT DEED & LEGAL DESCRIPTION
LAND USE & ZONING INFORMATION
APPRAISER'S QUALIFICATIONS

EXECUTIVE SUMMARY

Property / Location: Mixed Use Zoned Development Site, 20269 Broadway, Sonoma, CA 95476 - Assessor's Parcel No. 128-181-001.

Estate Appraised: Fee simple interest.

Ownership: Owner of record per county records is the Sonoma Community Development Agency; this city agency was recently dissolved and property transferred to Sonoma County Community Development Commission (SCCDC).

Client / Intended Users: The *client* is Sonoma County Community Development Commission (SCCDC), to which this property was recently transferred from the Sonoma Community Development Agency that was dissolved by the City of Sonoma. *Intended users* of the appraisal report are Kathleen Kane and John Haig of SCCDC, other authorized county officials and county legal/financial advisors.

Purpose/Intended Use: *Market value "as is"* of mixed use zoned site, vacant and available for development. The *intended use* of the information and value opinion contained in this report is to assist the client with regard to a potential real estate divestiture decision, establishing a baseline price for marketing the property and negotiation of possible future sale to prospective buyers.

Parcel Data / Assessments: Nearly square parcel, corner orientation. Assessor's Parcel Map No. 128-18 dated April 7, 2009 shows the following dimensions:

North boundary adjacent to an office building on a 1.17± acre site	297.72 ft.
East boundary at Broadway (Highway 12)	288.24 ft.
South boundary at Clay Street (formerly Prussia St.)	298.46 ft.
West boundary adjacent to St. Francis Place subdivision developed 1998	288.63 ft.

The calculated parcel size based on these dimensions, subject to survey confirmation, is 86,000± sf or 1.97± acres, as shown in the Sonoma General Plan. A parcel size discrepancy exists. Assessor's records show site as 66,647± sf or 1.53± acre; the 0.44± acre variance may reflect older parcel size before First Street West on the western boundary was abandoned by the City. The legal description in a 2007 title report and recorded deeds does not show metes and bounds or parcel size, but refers to former streets as being included. A survey is needed to confirm the exact parcel size including any right-of-way dedications or easements.

EXECUTIVE SUMMARY (continued)

Civil engineering and project site plans would be required for determination of net usable or buildable parcel size prior to any entitlements. Current ownership by a government agency exempts the property from taxes and assessments. Taxes and assessments would be levied for a non-exempt owner.

Access / Frontage: Access is available on Broadway (Highway 12) and Clay Street; there is only one driveway conform on the Broadway frontage; the site has very good frontage-to-depth ratio.

Off-sites / Utilities: Off-sites available at the street are sanitary sewer, municipal water, PG&E gas and electrical service; AT&T, Comcast and Verizon are available; there are curbs, gutters and sidewalks along both street frontages; the Broadway-Napa Road-Leveroni Road “four corners” intersection one block south has traffic signals; several street lights are located on east side of Broadway, with none along the subject frontage. No utilities are connected to the site.

Census Tract: 1502.03, Block 1.

Thomas Bros. Map Ref: Page 467, Grid F-1, Sonoma County.

General Plan / Zoning: The City of Sonoma General Plan - Housing Element refers to the subject Mixed Use site as 1.97 acres, with “realistic development potential” of 39 residential units. At least 50% of the uses must be residential; up to 50% commercial use may be allowed. The zoning is MX-20, mixed use, 20 residential units per acre and a 20% potential density bonus for affordable housing; maximum site coverage is 70% to 100% and 36-foot height limit, depending on the City Development Code and specific project plans and regulatory approvals. Other uses may be allowed under conditional use permits and/or specific project approvals.

The City of Sonoma has a housing growth management program restricting residential construction to 88 units per year. Any project with an affordable housing component would receive possible consideration for “fast-tracking” and exemptions from the growth management restrictions. Copies of applicable land use and zoning regulations are contained in the Addenda.

EXECUTIVE SUMMARY (continued)

Flood Hazard / Wetlands: The parcel is in Zone X, per Sonoma County FEMA Map Panel 06097C0939E, dated December 2, 2008, area of low flood risk, determined to be outside the 0.2% annual chance flood plain. No flood insurance is required. There are no reported or known wetlands or protected species or other biotic issues concerning this parcel. The client is urged to retain qualified professional technical specialists in this area. Drainage is toward Sonoma Creek to the southwest and Nathanson Creek to the east.

Seismic Hazard Zone: The property is not located in Alquist-Priolo special study zone, however, active fault lines extend through Sonoma County; the Rodgers Creek fault is about 6+ miles southwest. It is situated in a general seismic “liquefaction” zone; new or remodeled structures must comply with strict seismic safety standards and building codes in force at the time of construction. No structural engineering report or seismic analysis has been performed nor plans provided for construction. The appraiser is not an engineer and cannot make any determination as to seismic safety and building code compliance.

Topography / Soils: The site is level and above street grade. The soils in the area are generally suitable for commercial/residential development. On-site drainage, sub-surface preparation and treatment and moisture barriers for construction may be needed for the types of soils in the area. There are storm drains in the streets and general area. Onsite drainage and erosion control would likely be required for any development, with approved engineering plans that would accommodate any issues with regard to the soils. The vacant site has some old partial paving and several mature trees.

Environmental Hazards: No obvious hazards were observed on or near the site. Remediation of several sites in Sonoma is ongoing. GeoTracker showed four open environmental hazard investigation and/or remediation sites within 2,500 ft. of the subject including two open auto service sites to the south at 20500 and 20501 Broadway, one open site related to a fuel spill shown across the street from the subject (but not verified), and one gas station site to the north at 899 Broadway. It is assumed any contamination in the soil or groundwater from any source would be relatively minor and not likely impact the subject. There was no direct evidence of toxic mold, lead based paint, asbestos, or other potentially hazardous materials at the site that would impact the value of the property. It is not known whether the site is affected by any onsite or offsite environmental hazards that would require regulated inspection or remediation.

EXECUTIVE SUMMARY (continued)

It is assumed the City of Sonoma and SCCDC may be responsible for any disclosures or remediation (if warranted) and that an “as is” sale would provide a “clean” site without any known hazards requiring remediation by a prospective buyer or developer. The client is urged to obtain independent expert inspections and/or environmental assessment, if desired.

Improvements:

The subject is a 86,000± sf or 1.97± acre vacant site; old residential and out-building structures were demolished after the 2007 purchase to accommodate development; there are remnants of partial paving. Offsite improvements include curbs, gutters, sidewalks and utilities; the site has no utility hookups. A leased billboard is near the corner.

Easements & Encumbrances:

No updated title report was available; the client provided a 2007 title report that was obtained by the City of Sonoma in conjunction with the pending acquisition of the subject property. The preliminary title report dated March 8, 2007 referenced City of Sonoma resolutions related to the Sonoma Redevelopment District, a special tax lien for the Schell-Vista Fire Station Project, and PG&E easements recorded in 1998 and 2004. These two easements refer to a 30' x 8' strip at the southwest corner and a 56' x 8' strip extending along Clay Street from Broadway.

It is assumed that normal sewer/water and rights of way access and any other necessary easements or CC&Rs, etc. would be recorded for any mixed use development project; other utility and right-of-way easements are presumed to exist. There is no direct evidence of any adverse easements, encroachments, deed restrictions, encumbrances, etc. Public records did not show any recorded liens, encumbrances or any other restrictions. Although no property taxes and assessment liens are shown, it is assumed that any non-exempt owner would be assessed.

The only encumbrance reported by the client is a billboard sign lease to Viacom for ten years that started March 1, 2003 and expires on February 28, 2013. There is no renewal or extension clause. The sign size is 12' x 25' (3 faces) per the lease. The lease payment is \$1,800 annually, with no escalation provision. The sign is near the southeast corner of the site, and would not likely impact any development plans or future project. The annual revenue is minimal, and it is unlikely that the lease will be renewed.

EXECUTIVE SUMMARY (continued)

Property / Sales History: The site was acquired by the Sonoma Community Development Agency October 23, 2007 for a reported price of \$2,500,000 that was negotiated in March 2007. The owner of record per the Assessor's records is the Sonoma Community Development Agency; this city agency was recently dissolved and property transferred to Sonoma County Community Development Commission (SCCDC). The old rural residential structures and out-buildings were demolished after the purchase to provide a vacant buildable site for potential projects within the Sonoma Redevelopment District. The subject was not listed or being marketed privately for sale as of the valuation date. No specific purchase offers or letters of intent or pending sales or listings were reported within the past three years according to SCCDC staff.

Current Use: The site is a publically owned vacant parcel zoned for mixed use. A billboard sign lease that expires February 28, 2013 affects only the southeast corner of the site.

Highest and Best Use: The subject site is appraised as a buildable mixed use site, vacant and available for development, under the current mixed use zoning with 20 residential units per acre maximum density and a 20% potential density bonus for affordable housing; up to 50% commercial use is permitted. Other uses may be allowed under conditional use permits and/or specific project approvals.

There is still significant unsold and unabsorbed development land in the local and regional market, and few lenders are making loans for construction or land purchases. Distress, bankruptcy and REO sales still dominate the market favoring "bottom feeders" and speculators seeking deep discounts for long-term land holds. Probable buyers would include well-capitalized and successful developers of housing and/or mixed use projects in the greater Bay Area who would initiate and complete the entitlement and permit processing, design and build and market the project.

The City has a housing growth management program restricting residential construction to 88 units per year. Any project with an affordable housing component would receive possible consideration for "fast-tracking" and exemptions from the growth management restrictions. Potential general highest and best use scenarios include:

- 1) Developer acquire site and initiate entitlement/permit processing to secure a priority position or "get a place in line" in the growth management program; "fast track" with affordable housing would be an investment consideration.

EXECUTIVE SUMMARY (continued)

- 2) Developer obtain option to purchase with close of escrow subject to project approval, specific entitlements, priority position in City growth management program, permits, etc.
- 3) Investor/developer purchase on speculation and hold long-term until market improves for future development, without initiating permit processing due to current low demand and absorption of housing.

Any entitlements or uses or exemptions or zoning modifications are too speculative to consider without specific project plans that have been reviewed and/or approved by the City of Sonoma. This valuation is provided without consideration for assemblage or reconfiguration of this or nearby lots for entitlements for any particular proposed or hypothetical project or special purpose use or specific density bonus that may be provided for affordable housing. The probable general highest and best use scenarios are (1) and (2).

Valuation Date: “AS IS” - August 14, 2012 **Inspection Date:** August 14, 2012.
Report Date: October 5, 2012.

Valuation Summary (fee simple estate):

Raw land - up to 39 PUD residential units plus common area; up to 50% commercial uses allowed per City of Sonoma	39 units - pad sites +common area at \$40,000 per raw unentitled potential residential unit = \$1,560,000 indicated value
Raw land - development site for mixed residential and commercial uses	86,000± sf at \$18/sf = \$1,548,000, rounded to \$1,550,000 indicated value
Reconciled Opinion of Value	\$1,550,000

Marketing Time/

Exposure Period: Up to twelve months for a “normal” marketing time, or longer, if professionally marketed and exposed to end-users and real estate investors and developers on the open market. A longer marketing time could occur because of due diligence issues - environmental investigation, remediation, engineering, surveys, wetland/soils studies, mitigation, plans, entitlements, permit processing, etc.

Prepared for: Kathleen H. Kane, Executive Director and John Haig, Redevelopment Manager, Sonoma County Community Development Commission.

Prepared by: Raymond B. Mattison, ASA, MAI.

PROPERTY RIGHTS APPRAISED & OTHER DEFINITIONS

The value opinion is based on the *fee simple estate* as of August 14, 2012, the effective valuation date for this appraisal. Title to the property is assumed to be marketable, subject to clearance of any liens or other encumbrances.

Fee Simple Estate — *absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*¹

Leased Fee Interest — *This refers to the lessor's interest or landlord's specified rights that include right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and lessee (leaseholder) are specified by contract terms contained within the lease. Although the specific details of leases vary, a leased fee generally provides the lessor with rent to be paid by the lessee under stipulated terms ... right of repossession at the termination of the lease ... default provisions ... right of disposition, including the rights to sell, mortgage, or bequeath the property, subject to the lessee's rights, during the lease period.*²

Leasehold Interest — *the lessee's, or tenant's, estate. A leasehold estate is the interest held by the lessee (tenant or renter) through a lease transferring specified rights, including the right of use and occupancy, for a stated term under certain conditions. When a lease is transmitted, a tenant usually acquires the rights to possess the property for the lease period, to sublease the property if allowed or desired, and perhaps to improve the property under the restrictions specified in the lease. In return, the tenant is obligated to pay rent, surrender possession of the property at the termination of the lease, remove any improvements the lessee has modified or constructed if specified, and abide by the lease provisions.*³ *Tenant improvements may not be removed by the lessee unless permitted under the lease contract.*

Excess Land — *Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.*⁴

¹ The Appraisal of Real Estate, Appraisal Institute, Thirteenth Edition, 2008, pages 111-112.

² *Ibid.*, page 114.

³ *Ibid.*, pages 114-115.

⁴ The Dictionary of Real Estate Appraisal, Appraisal Institute, Fifth Edition, 2010, page 71.

VALUE DEFINITIONS

Market Value is defined as follows:⁵

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

1. *buyer and seller are typically motivated;*
2. *both parties are well informed or well advised, and each acting in what he or she consider his or her own best interests;*
3. *a reasonable time is allowed for exposure in the open market;*
4. *payment is made in terms of cash, in United States dollars, or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

In the case of income-producing properties, market value is also interpreted as the present worth of the anticipated future benefits of ownership of the property. The benefits of ownership in this type of property are normally twofold: one is the right to receive the income during the economic life of the improvements; the second is the right to the reversionary value of the land at the conclusion of the economic life of the improvements.

Prospective Value is a forecast of value expected at a specified future date. This refers to value opinions for proposed real estate projects, new construction, conversions to different uses, and projects that have not achieved sellout or stabilized long-term occupancy as of the report date.

Retrospective value is a value opinion as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."⁶ It may also apply to a previous condition or significant event resulting in a specific loss, diminution of value, date of discovery, or litigation such as a disputed lease or contract termination as of a certain date.

"AS IS" Market Value refers to an opinion of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, and or qualifications on the date of inspection.

⁵ The Appraisal of Real Estate, Appraisal Institute, 13th Edition, 2008, pp. 24-25; and 12 CFR §34.42(g).

⁶ The Dictionary of Real Estate Appraisal, Appraisal Institute, 5th Edition, 2010, p. 171.

SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

1. *This is a Summary Narrative Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Summary Appraisal Report. As such, it presents only summary discussions of the investigation, data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The most relevant data is contained in the report, as requested by the client. However, this is not a self-contained report. Additional supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's files. The depth of discussion contained in this report is specific to the needs of the client and for the intended use previously stated. The appraiser is not responsible for unauthorized use of this report.*
2. *The information and value opinion contained in this report is intended strictly for use by Kathleen H. Kane, Executive Director and John Haig, Redevelopment Manager, Sonoma County Community Development Commission, other authorized county officials and county legal/financial advisors. The appraisal was requested to assist the client with regard to a potential real estate divestiture decision, to establish a baseline price, and negotiation of possible future sale. This appraisal report is being treated as confidential. Disclosure of the contents of this report or any part of same to any third party other than individuals authorized by the client is strictly prohibited, and would render this appraisal invalid.*
3. *The client understands that any substantive change in regional / local economic and market conditions could materially impact value. Any change in use, demolition, physical alterations to the site or improvements, entitlements, zoning, regulations, etc. would also be considered with regard to the level of risk and impact upon value. The valuation is provided without regard to any potential or hypothetical project or entitlements or assemblage of the site for any special purpose use or medium to high density residential or mixed use development or under any specific highest and best use project scenario other than what may be generally allowed under the MX-20 zoning and City of Sonoma growth management program.*
4. *In the event of a sudden change or serious economic crisis, the value opinions reached in this report would no longer be applicable. Examples of types of events that could trigger a loss of value include: major employer closure or out-migration, rapid or prolonged reduction in wine grape prices, significant decline in local employment, sharp reduction in housing prices, sudden or prolonged shortage of PG&E utilities or water supply from established sources, catastrophic occurrence (flood, fire), etc.*
5. *No updated title report was available; the client provided a 2007 title report that was obtained by the City of Sonoma in conjunction with the pending acquisition of the subject property. The preliminary title report dated March 8, 2007 referenced City of Sonoma resolutions related to the Sonoma Redevelopment District, a special tax lien for the Schell-Vista Fire Station Project, and PG&E easements recorded in 1998 and 2004. These two easements refer to a 30' x 8' strip at the southwest corner and a 56' x 8' strip extending along Clay Street from Broadway.*

- 6) *It is assumed that normal sewer/water and rights of way access and any other necessary easements or CC&Rs, etc. would be recorded for any mixed use development project; other utility and right-of-way easements are presumed to exist. There is no direct evidence of any adverse easements, encroachments, deed restrictions, encumbrances, etc. Public records did not show any recorded liens, encumbrances or any other restrictions. Although no property taxes and assessment liens are shown because of the current ownership by a public entity, it is assumed that any non-exempt owner would be assessed.*
- 7) *The only encumbrance reported by the client is a billboard sign lease to Viacom for ten years that started March 1, 2003 and expires on February 28, 2013. There is no renewal or extension clause. The sign size is 12' x 25' (3 faces) per the lease. The lease payment is \$1,800 annually, with no escalation provision. The sign is near the southeast corner of the site, and would not likely impact any development plans or future project. The annual revenue is minimal, and it is unlikely that the lease will be renewed.*
- 8) *The calculated parcel size based on dimensions shown on Parcel Map 128-18, subject to survey confirmation, is 86,000± sf or 1.97± acres, as stated in the Sonoma General Plan - Housing Element. A parcel size discrepancy exists. Assessor's records show the site as 66,647± sf or 1.53± acre; the 0.44± acre variance may reflect the older parcel size before First Street West on the western boundary was abandoned by the City. The legal description in a 2007 title report and recorded deeds does not show metes and bounds or parcel size, but refers to former streets as being included. A survey is needed to confirm the precise parcel size including any right-of-way dedications or easements. Civil engineering and project site plans would be required for determination of net usable or buildable parcel size prior to any entitlements.*

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and valuation contained herein are expressly subject to the following general assumptions and limiting conditions:

1. *Title to the property is assumed to be marketable, subject to clearance of any liens or encumbrances.*
2. *No responsibility is assumed for matters of law or legal interpretation.*
3. *The valuation is based on information and data from sources believed reliable, correct and accurately reported, but cannot be guaranteed.*
4. *It is assumed that any improvements would be completed with permits in conformity with applicable zoning and building codes, regulations and other standards in effect. It is assumed that there are no hidden defects, soil problems or biohazards in or near the property.*
5. *No obvious hazards were observed on or near the site. Remediation of several sites in Sonoma is ongoing. GeoTracker showed four open environmental hazard investigation and/or remediation sites within 2,500 ft. of the subject including two open auto service sites to the south at 20500 and 20501 Broadway, one open site related to a fuel spill shown across the street from the subject (but not verified), and one gas station site to the north at 899 Broadway. It is assumed any contamination in the soil or groundwater from any source would be*

relatively minor and not likely impact the subject. There was no direct evidence of toxic mold, lead based paint, asbestos, or other potentially hazardous materials at the site that would impact the value of the property. It is not known whether the site is affected by any onsite or offsite environmental hazards that would require regulated inspection or remediation. It is assumed that the City of Sonoma and SCCDC may be responsible for any disclosures or remediation (if warranted) and that an "as is" sale would provide a "clean" site without any known hazards requiring remediation by a prospective buyer or developer. The client is urged to obtain independent expert inspections and environmental assessment, if desired. The appraiser is not an engineer, chemist, geotechnical, environmental or other technical expert.

- 6. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.*
- 7. Possession of this report or a copy thereof, does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of the appraiser and then only with proper qualifications.*
- 8. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, new sales, or other media without the written consent and approval of the author, particularly as to valuation conclusions, and the identity of the appraiser or firm with which he/she is connected or any reference to the American Society of Appraisers or the Appraisal Institute or ASA or MAI designations.*
- 9. It is understood that compensation for the appraisal services is in no way contingent upon the value reported and is dependent only upon the delivery of this report.*
- 10. This appraiser shall not be required to give testimony or appear in court by reason of this appraisal unless prior arrangements have been made.*
- 11. The liability of Mattison Associates or their staff or subcontractors for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.*
- 12. Acceptance of and/or use of the appraisal report constitutes acceptance of the foregoing general assumptions and general limiting conditions.*
- 13. Based on my experience and training, I believe that I am competent to perform this appraisal assignment without enlisting outside consultations.*
- 14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of the improvements to determine whether or not these will be in conformity with the various detailed requirements of the ADA. It is possible that a future compliance survey of the property, together with a detailed analysis of the requirements of the ADA could reveal that the property may not be in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.*

CERTIFICATION

I CERTIFY that to the best of my knowledge and belief the following:

- 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 personal, impartial and unbiased professional analyses, opinions, and conclusions of the undersigned.
- 3) The undersigned has no present or prospective interest in the property that is the subject of this report, the undersigned has no personal interest or bias with respect to the subject property or to the parties involved with this assignment, and the undersigned has not previously appraised the same property within the past three years.
- 4) The engagement in this assignment was not contingent upon developing or reporting predetermined results. The 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. The appraisal assignment was NOT based on a requested minimum valuation, a specific valuation or upon the approval of a loan.
- 5) The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and with the requirements of the Codes of Ethics and Standards of Professional Practice of the Appraisal Institute and American Society of Appraisers.
- 6) The use of this report is subject to the requirements of the Appraisal Institute and American Society of Appraisers relating to review by their duly authorized representatives.
- 7) The undersigned does further certify that he conducted a personal inspection of the subject property.
- 8) No other person provided significant professional assistance in the preparation of this report.
- 9) I have the knowledge and experience required to complete this appraisal assignment for this type of property. Further, I meet the Competency Rule as set forth in USPAP.
- 10) The American Society of Appraisers has a mandatory recertification program for all of its Senior Members. As of the date of this report, Raymond B. Mattison, ASA, MAI, is in compliance with the ASA program and has completed the continuing education requirements of the Appraisal Institute.



by

Raymond B. Mattison, ASA, MAI
State Certification #AG005292 (expiration 10/2/14)

date Oct. 5, 2012

SCOPE AND REPORTING PROCESS

This is a *summary appraisal report* prepared in a narrative format. There is sufficient data and analysis presented to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) under *Standards Rule 2-2*. This analysis is intended to be an "appraisal assignment", as defined by the USPAP of the Appraisal Foundation — i.e., that the appraisal service is performed in such a manner that the result of the analysis, opinions, or conclusions be that of a disinterested third party. Only information necessary to meet the client's specific request for a value opinion was provided. The value opinion(s) expressed in this report can only be properly understood in conjunction with additional supporting data and analyses that have been retained in the appraiser's files. Omitted from the report are detailed demographic data, environmental/engineering reports; project/building plans, cost estimates, comparable data sheets; detailed discussions of comparables and adjustments; land residual analysis, title information and various other items needed for a self-contained report. The scope of this assignment is outlined as follows:

- physical inspection of the subject property, review of public records and client data on file, contacts with city/county staff and other knowledgeable parties, exterior observation of comparable properties; verification of assessments, zoning, flood zone, earthquake zone and utilities with applicable government agencies; review of public records; interviews with local/regional officials.
- telephone or personal interviews with persons considered knowledgeable regarding the area and property, market data, regulations, conditions, trends, and relevant comparables.
- verification (to the extent feasible) of information relating to comparable market data by telephone conversations with brokers and/or principals involved in the various transactions, Costar, Loopnet, MLS, Realquest, title companies, and/or public records.
- estimate of the probable marketing exposure time estimate for the subject was derived based on recent sales of properties, real estate market publications and interviews with local real estate professionals.
- an investigation of local area land use trends, vacancies, absorption, as well as proposed and/or present construction activity; this information was obtained from various market participants, including brokers, developers and government agencies.
- a determination of the highest and best use of the subject as vacant and as improved, based on the four standard tests — i.e., legality and physical possibility of use, financial/economic feasibility, and maximum productivity.
- research and analysis of *sales and listings*; only the *sales comparison approach* was relevant to the valuation of each parcel; there was insufficient information to derive value opinions or conduct land residual analysis under the *income approach* or *cost approach*.
- opinion of the "as is" value of the *mixed use zoned land, vacant and available for development* as of August 14, 2012, the *effective valuation date*.

MARKETING TIME AND EXPOSURE PERIOD

Marketing time is defined as the most likely amount of time it would take to sell the subject property if exposed on the open market to end-users and investors, beginning on the date of this valuation. Market participants — i.e., real estate brokers and developers indicate that if appropriately priced, the property could be professionally marketed within this time frame.

Exposure time is defined as the length of time the property would have been exposed for sale in the market, had it sold at the market value concluded in this analysis, as of the date of this valuation. Exposure time, based on recent transactions in the market, is estimated to be one to twelve months. Comparable sales and transactions of properties in the Bay Area have reported marketing times ranging from one month to about one year.

The majority of the transactions in the North Bay reflect reported market exposure periods of about 1 to 9 months, and marketing times (including escrow) ranging from 3 to 12± months, or longer. Properties requiring more than one year generally reflect certain problems or unique circumstances. Some escrows are prolonged because of project planning, due diligence, permit processing, remediation, technical issues, complex negotiations, litigation or other problems.

Marketing times for several properties considered in this analysis range from about 3 to 12 months, with some properties requiring more than one year. The averages of 3 to 12 months are consistent with reported “normal” marketing times in the local and regional market. Based on recent market trends, and assuming appropriate pricing and a professional marketing strategy to prospective end-users and investors or developers. Up to twelve months for a “normal” marketing time, or longer, if professionally marketed and exposed to end-users and real estate developers and investors on the open market. A longer marketing time could occur because of due diligence issues such as civil engineering, surveys, wetland studies, mitigation, entitlements, permit processing, etc. Scarcity of competitive financing is also a factor affecting the market. The marketing time and exposure period is based on a current sale, all cash or cash equivalent, to an end-user or developer or investor seeking long-term returns.

AREA MARKET OVERVIEW & NEIGHBORHOOD ANALYSIS

Sonoma Valley Area Analysis:

The southeastern sub-region of Sonoma County is frequently referred to as the Sonoma Valley District. This includes the City of Sonoma and most of the Valley of the Moon; the unincorporated communities of Kenwood, Glen Ellen, Boyes Hot Springs, Fetters Hot Springs, El Verano, Agua Caliente, Eldridge, Schellville and Vineburg are in this area. The estimated population is 40,000±, including 10,000± in the City of Sonoma and 30,000± in the unincorporated areas. The Sonoma Valley serves as a “bedroom” community for service, professional, technical and managerial people who commute to jobs in the Highway 101 corridor and other parts of the Bay Area.

There are an estimated 11,400± jobs throughout the Sonoma Valley. Employment is concentrated in the wine industry (wine production, grape growing, distribution), retail and wholesale trade, visitor-oriented and population-serving retail businesses, various services, government, medical and professional services, light industrial “value added” firms, specialty products, aftermarket building materials and construction. The poor housing demand and declines in the commercial market and lack of financing have impacted new housing starts and other construction projects. Employment in the city of Sonoma was 4,600 and unemployment was 7.0% as of July 2012 as reported by the California EDD. The unincorporated Sonoma Valley communities of Glen Ellen, Boyes Hot Springs, Fetters Hot Springs and El Verano have a combined total employment of 7,300 with a combined unemployment of 800 or about 11%. Many of the jobs in those communities tend to be seasonal.

Tourism grew before the recession and prolonged “sluggish” economy in the Sonoma and Glen Ellen areas, contributing to economic growth of the region, with slow recovery indicated; services are the sources of most of the jobs in the area. Income levels are generally high, approaching or exceeding \$90,000 per household in the Sonoma Valley sub-region.

Taxable sales in the City of Sonoma were reported by the Board of Equalization at \$195,000,000± in 2010. Final figures for 2011 and 2012 year-to-date are not yet available, but are expected to be under \$200,000,000 due to the continued soft economy. Taxable revenues are partially attributable to tourism and visitor-oriented facilities within the Sonoma Valley and other popular wine country destinations, including the Napa Valley located about 30 minutes to the east. Newer and renovated hotels, motels and retail properties are expected to have a stabilizing impact on the local economy during the next few years. These include The Lodge at Sonoma, the Fairmont - Sonoma Mission Inn & Spa, MacArthur Place, Sonoma Valley Inn, Vineyard Inn Hotel and several others. Another new high-end hotel is being proposed near the Sonoma Plaza.

Housing demand in the Sonoma Valley had been fairly strong through 2005, but declined sharply from about the latter part of 2006 through about 2010, with continued weakness indicated in 2011 with some indications of modest recovery. Many of the recent sales of new and existing homes, as well as residential income properties, have reflected longer marketing times and negotiated prices lower than listing prices. Average single family home prices are in the range of \$400,000±, which includes REO and short sales. From about late 2006 and early 2007, the Sonoma County housing development market has experienced severe price declines for many projects in progress and sites marketed for subdivisions, PUD projects, commercial and mixed uses – sometimes ten cents on the dollar. Sites with project plans, entitlements and even finished lots with all site work done have been sold or are being marketed for fractions of previous reported prices. There is still significant unsold and unabsorbed development land in the local and regional market, and few lenders are making loans for construction or land purchases. Distress, bankruptcy and REO sales still dominate the market which favors “bottom feeders” and speculators seeking deep discounts for long-term land holds.

The highest housing prices have been reflected in “estate” homes and lots with good views — i.e., Mission Hills, Sobre Vista, George Ranch, and newer subdivisions in and near the City of Sonoma. The lowest housing prices and rentals in the Sonoma Valley are found in rural and portions of several suburban unincorporated districts — i.e., El Verano, Feters Hot Springs, Boyes Hot Springs, Agua Caliente, Glen Ellen, Vineburg and Schellville. However, demand and prices for “affordable” housing and “fixer” properties in those areas have been moderate. Mixed use “live-work” projects such as the Carneros condominium units in central Sonoma and newer units on the west have experienced slow absorption, with many units used as rentals. The primary demand is for attached/detached single-family homes according to local brokers. Residential development is located generally throughout most of the city and nearby unincorporated districts that have Sonoma postal addresses. There are high-end custom homes within the city and outside the city limits.

Residential development in the City of Sonoma and Sonoma Valley region has generally been much slower than other areas of the county. This is due in part to planning constraints and infrastructure issues. This resulted in lack of supply of housing in the upper and lower price ranges before and during the early part of the recession. Several estate homes have been constructed on the eastern slopes of Sonoma Mountain and in certain areas in and near the City of Sonoma. “Production” housing occurred on the northern, southern and eastern fringes of Sonoma, and condominiums and some mixed-use units were built within the city of Sonoma.

The Sonoma Valley sub-region includes the Sonoma Mountain and Carneros appellations. Several well-known wineries and vineyards and support firms are located in the Sonoma Valley. About 15,000± acres in the Valley are currently planted with vineyards. This is about 25% of the county-

wide total of 56,000± acres of vineyards. Some of the major wineries and grape growers have taken a more conservative approach to vineyard development during the past few years, but some have proceeded with new premium varietal rootstock due to the long-term cycle of 4 to 5 years to reach maturity and obtain reasonable yields.

Commercial development is concentrated along the major arterial and collector streets such as Sonoma Highway, Napa Street, Broadway and Arnold Drive, as well as the urbanized areas in the city of Sonoma. Demand for primary and secondary commercial space is reported strong in the City of Sonoma as well as the unincorporated communities. This is due in part to the apparent lack of supply of competitive properties with good traffic flow and “curb appeal”. There is moderate observed vacancy in commercial facilities located on arterial and collector streets, with most of the vacancies in older facilities outside of the Sonoma Plaza or non-anchored retail locations.

State Highways 12 and 121 provide good linkage between southern Sonoma County, the Highway 101 corridor on the west, Napa/Solano Counties and the I-80 corridor on the east, and the greater Bay Area on the south. This is the southeastern “gateway” to Sonoma County and the Carneros and Sonoma Valley vineyard regions. Extensive acreage of premium varietal grapes have been planted, and properties planted in the mid-1990s and early-to-mid 2000s are maturing and yielding higher end crops according to regional wine industry experts. Most of wine-related and agri-business distribution facilities in the Sonoma Valley are located north, south and east of the City of Sonoma.

Industrial development consists mostly of wine industry related warehouse-distribution facilities in the southern sector of Sonoma and the unincorporated areas - particularly along Eighth Street East. Glen Ellen Winery has a major distribution center on the same street. Sebastiani and other wineries also have production and distribution facilities in the vicinity. The Groskopf Warehouse located at Eighth Street East and Napa Road is reported as the largest distribution center in Sonoma Valley. The NWPRR has rail spurs extending from the main line south of Highways 12/121 along Eighth Street East to the Groskopf Warehouse, but rail service has not been available for many years. There are also other manufacturing (i.e., Dowling Magnets, Price Pump), distribution, building materials and construction-related facilities in that general vicinity.

A few other industrial facilities are located on or near other streets, and include a few build-to-suit projects such as high-bay warehouses with environmental control for wine case and barrel storage on Eighth St. East in the Vineburg area, and near the southern end of Broadway in the Schellville district. There is a reported lack of competitive industrial and service-commercial space in the Sonoma Valley according to leading brokers and wine industry specialists. The newer warehouse facilities for wine products are in the southeast sector. Several wineries in the Sonoma Valley have

invested in new and upgraded processing facilities. Expansion of industrial shops and office/service buildings at and near the Sonoma Raceway on Arnold Drive has contributed to the local economy.

Specific demand, supply and vacancy estimates are not published for the City of Sonoma and the Sonoma Valley commercial and industrial districts. Local brokers, developers and economic development officials have indicated increased interest and demand from within and outside the county for well located sites. Build-to-suit and spec facilities are being offered by developers in the Sonoma area and nearby southern Napa County. This is considered a positive trend. Observed and broker reported vacancies in the Sonoma Valley commercial and industrial districts vary from less than 3% to more than 20%. Office vacancy is estimated at 10% to 20%±, with highest vacancies in the newer mixed-use projects and large “floor plate” facilities. In the built-up areas, buildable land is scarce; only a few infill parcels remain. Most of the available land is zoned for agricultural use or affected by wetlands, flooding and other problems. The lack of infrastructure in some preferred locations is considered a limiting factor. Availability of public sewer and water is important to prospective project developers for any intensive land use. There is moderate demand for well located parcels for low intensity use — i.e., small commercial or mixed use development, small shops, warehouses, vehicle / equipment maintenance and service facilities, etc.

Neighborhood Analysis - City of Sonoma - Southern Sector & Broadway Corridor:

A neighborhood is a group of complementary land uses. Neighborhood boundaries identify the physical area that influences the value of the subject property; these boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation, parcel size tend to identify neighborhoods. Major roadways, waterways and changing elevations can also create neighborhood boundaries.

Southern Sonoma has a mix of land uses - i.e., retail including restaurants, visitor-oriented lodging, service-commercial (gas stations, automotive service/repair, offices (general, professional), multi-family and single-family residential, assisted living facilities, senior housing, mobile home parks, schools and other public facilities. This is a mostly built-up area with very little land available for development. The southern sector, Broadway Corridor and Four Corners Planning Area of Sonoma are considered the general neighborhood. The subject is on Broadway, a busy north-south arterial street which is also a continuation of Highway 12, extending from the Sonoma Plaza through the Four Corners area on the southern fringe of the city, connecting with the Carneros Highway and the junction of Highway 121. The subject mixed use site is conveniently located one block north of the busy signalized intersection of Napa Road-Leveroni Road and Broadway where estimated average daily traffic (ADT) flow is 13,000±. This is a mostly built-up district with very little land available

for development. The subject is a scarce vacant “infill” site located within a two-mile radius of the Sonoma central business district (CBD) and the Sonoma Plaza. It is slightly more than one mile south of the Plaza. Few vacant residential, commercial or mixed use parcels in Sonoma area are on the market, and the subject is the only large vacant mixed use site in the Broadway Corridor.

Properties in the immediate vicinity of the subject at Broadway and Clay Street include The Lodge at Sonoma at Broadway and Leveroni Road, Friedman’s Home Improvement Center at Broadway and Napa Road, Traintown across the street on Broadway, and office complex to the north, single-family subdivisions west of Broadway that were developed in the mid-to-late 1990s, Vintage Sonoma Senior Housing and Assisted Living on Napa Road east of Broadway. There are also two older automotive service shops to the south and other commercial uses along Broadway.

The general neighborhood and much of Sonoma and the surrounding unincorporated areas have been undergoing a gradual transition from older low density uses and local population-serving businesses to more medium and high-density development. The City of Sonoma and the surrounding areas have been considered generally stable, with very few “pockets” of limited new construction or renovation projects. The Sonoma primary and secondary trade areas were slowly growing at a gradual pace up to the recent recession and financial crisis. However, city and county sources have noted increases in visitor-oriented and other destination business from outside the population-serving trade areas.

Higher density and mixed-use projects are located mostly toward the central part of the city and in the northwest sector. Residential development is located throughout the city. There are high-end custom homes in the eastern and southern sectors of the city, and outside the city limits to the north, east and west. Local and regional brokers report that many buyers are attracted to Sonoma as a desirable area to live, tele-commute and retire. Some residents commute to jobs in the greater Bay Area and Sacramento area. Many are executives, professionals and specialists who frequently travel to other areas and often work from home. The “commuter” group includes airline pilots and other high-paid workers and self-employed individuals who work out of the area several days or longer extended periods, then are at home for a longer duration. Many of the newer residents in the Sonoma Valley are affluent and some have established second homes in the area. Some buyers have relocated from the more heavily urbanized areas in California and other states, and some full-time and part-time residents are from outside the U.S. Some homes also serve as offices for the residents, as well as second homes for weekend retreats and vacations. Home occupation permits are encouraged, however, parking can be an issue for offices or other commercial uses unless the homes are within the central parking district.

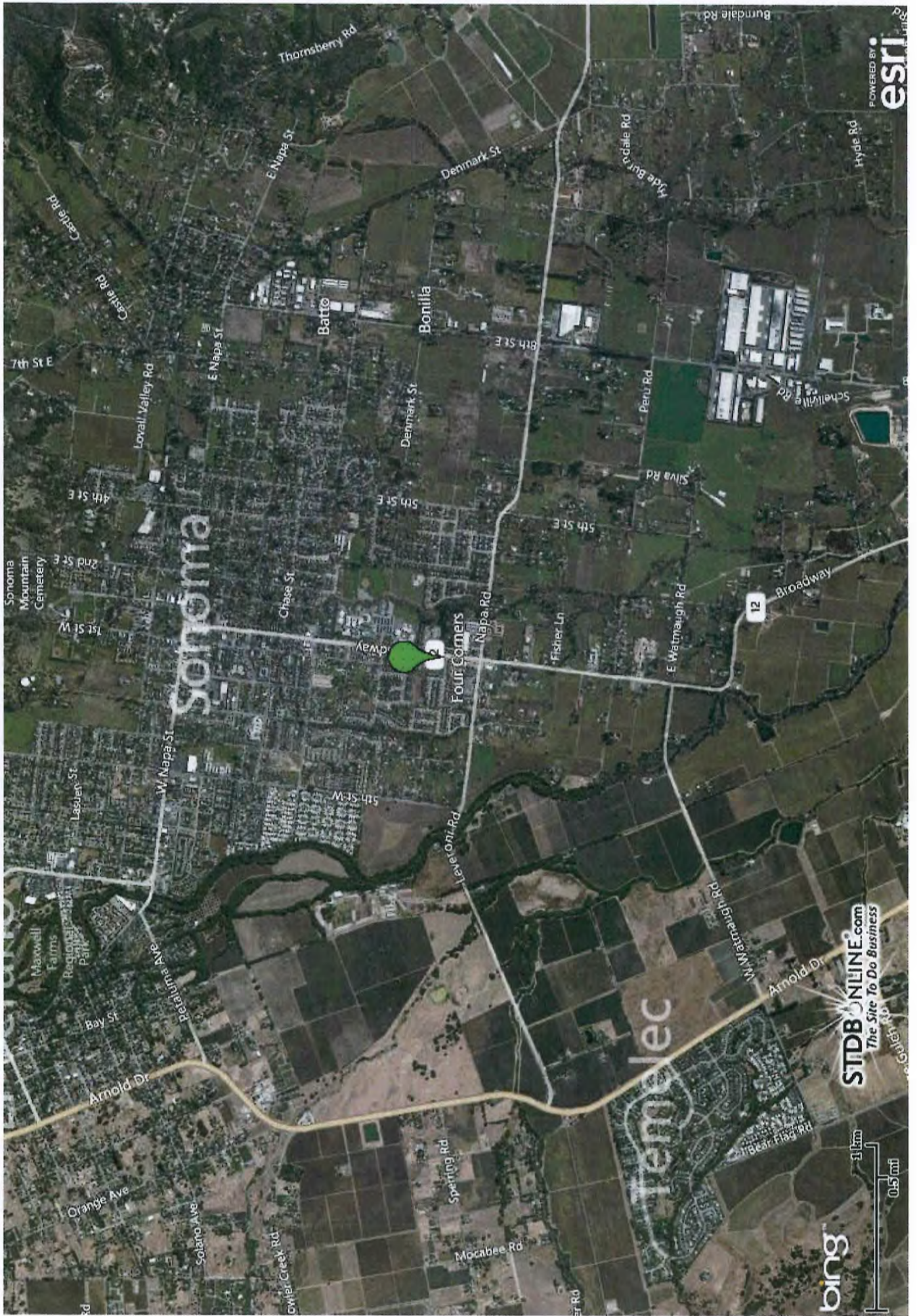
Local and regional brokers have indicated that Sonoma has been less affected by the severe housing downturn and “credit crunch” than many of the other communities in the state and region. However, there are many distressed properties, suspended or cancelled development and renovation projects, and partially built housing and mixed use development projects.

The wine industry has remained strong, and many service industries have been fairly stable, although there have been numerous vacancies and business failures. The attraction of affluent residents, “day-trippers” and “weekend residents” and tourists have been positive factors contributing to stability. The residential downturn in Sonoma has been most noticeable in the newer inventory of subdivision projects and “live-work” units including the Sonoma Lofts projects that were completed mostly in the mid-to-late 2000s. Absorption of these types of high-density residential units has been poor, with some significant price reductions and other incentives offered. Numerous parcels and partially and fully improved properties have been lost through foreclosure and bankruptcy. There has been a marked increase in REO and short sale transactions as well as bankruptcies and distress liquidations. There have been very few listings or sales of single-family parcels in the city and nearby unincorporated districts, partly due to the lack of supply of buildable lots, as well as scarcity of competitive financing. Some sales have involved private capital financing, since few lenders have offered new money loans.

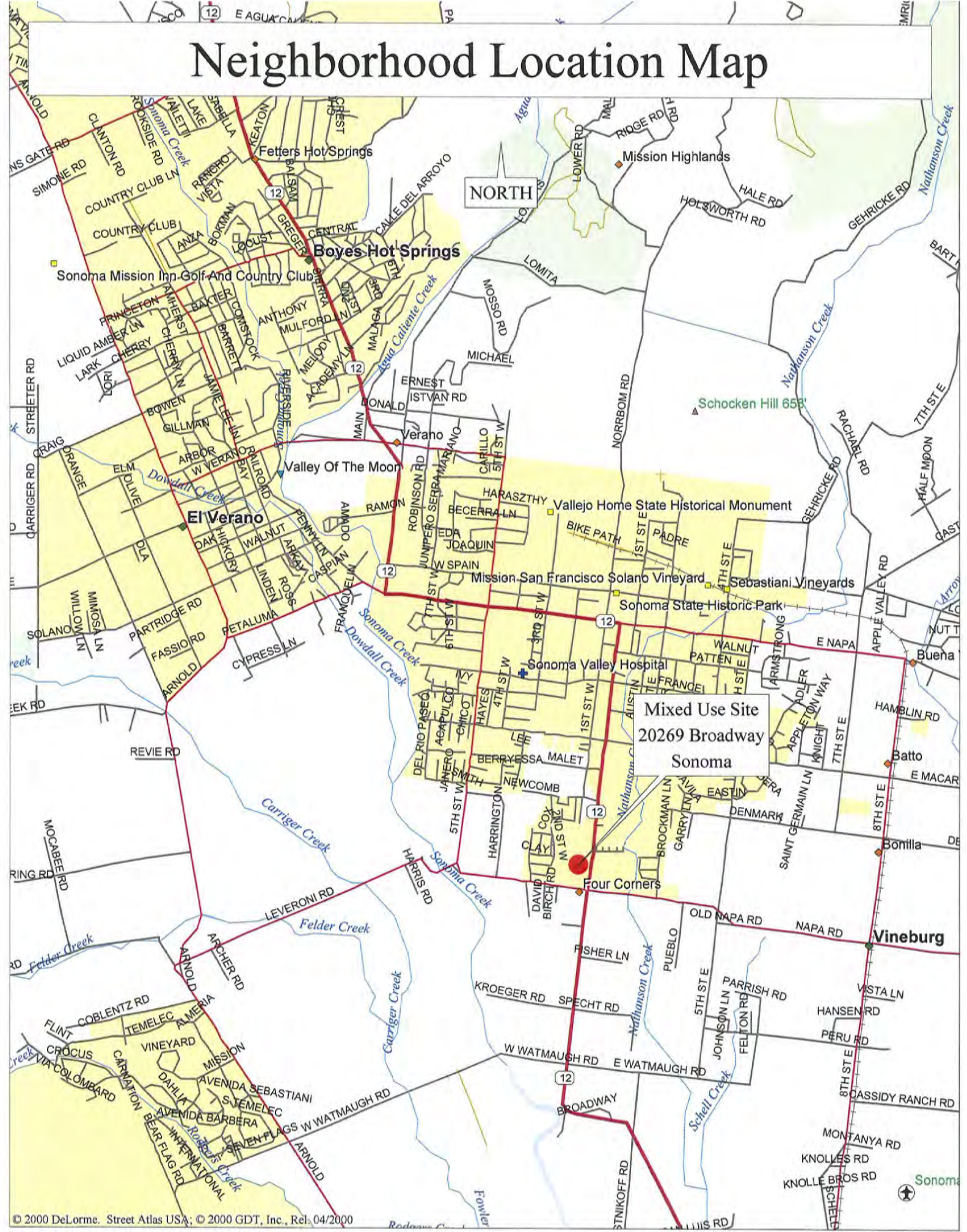
The City of Sonoma Community Development Agency negotiated the 20269 Broadway property purchase in March 2007 at the top of the real estate market when housing was still in high demand and developers could still get competitive financing, and would pay premiums for well located buildable sites without entitlements already in place. The sale closed in October 2007 when the market was still in denial according to economists, lenders, brokers and cautious investors. The indicated price declines in the city of Sonoma over the past five years - 2007 to 2012 - reportedly has been less severe than some of the price declines noted for many other development sites for subdivisions, PUD projects, commercial and mixed uses – sometimes ten cents on the dollar. Sites with project plans, entitlements and even finished lots with all site work done have been sold or are being marketed for fractions of previous reported prices. There is still significant unsold and unabsorbed development land in the local and regional market, and few lenders are making loans for construction or land purchases. Distress, bankruptcy and REO sales still dominate the market which favors “bottom feeders” and speculators seeking deep discounts for long-term land holds.

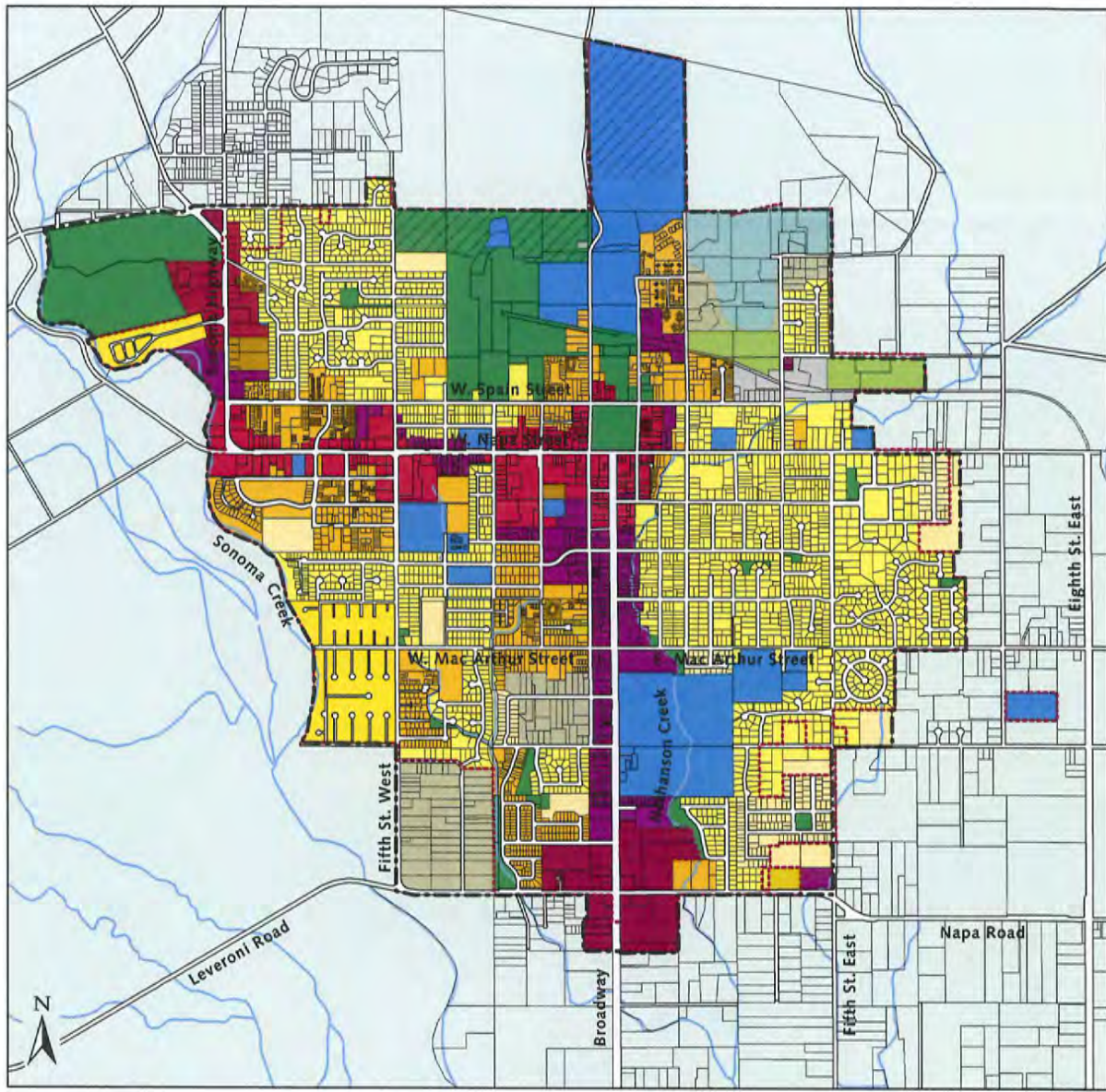
The subject site is well located on the busy Broadway Corridor that has adequate infrastructure and a diverse mix of commercial, residential and special purpose uses including public facilities. It is well suited for mixed use development when economic recovery occurs.

NEIGHBORHOOD AERIAL PHOTO



Neighborhood Location Map





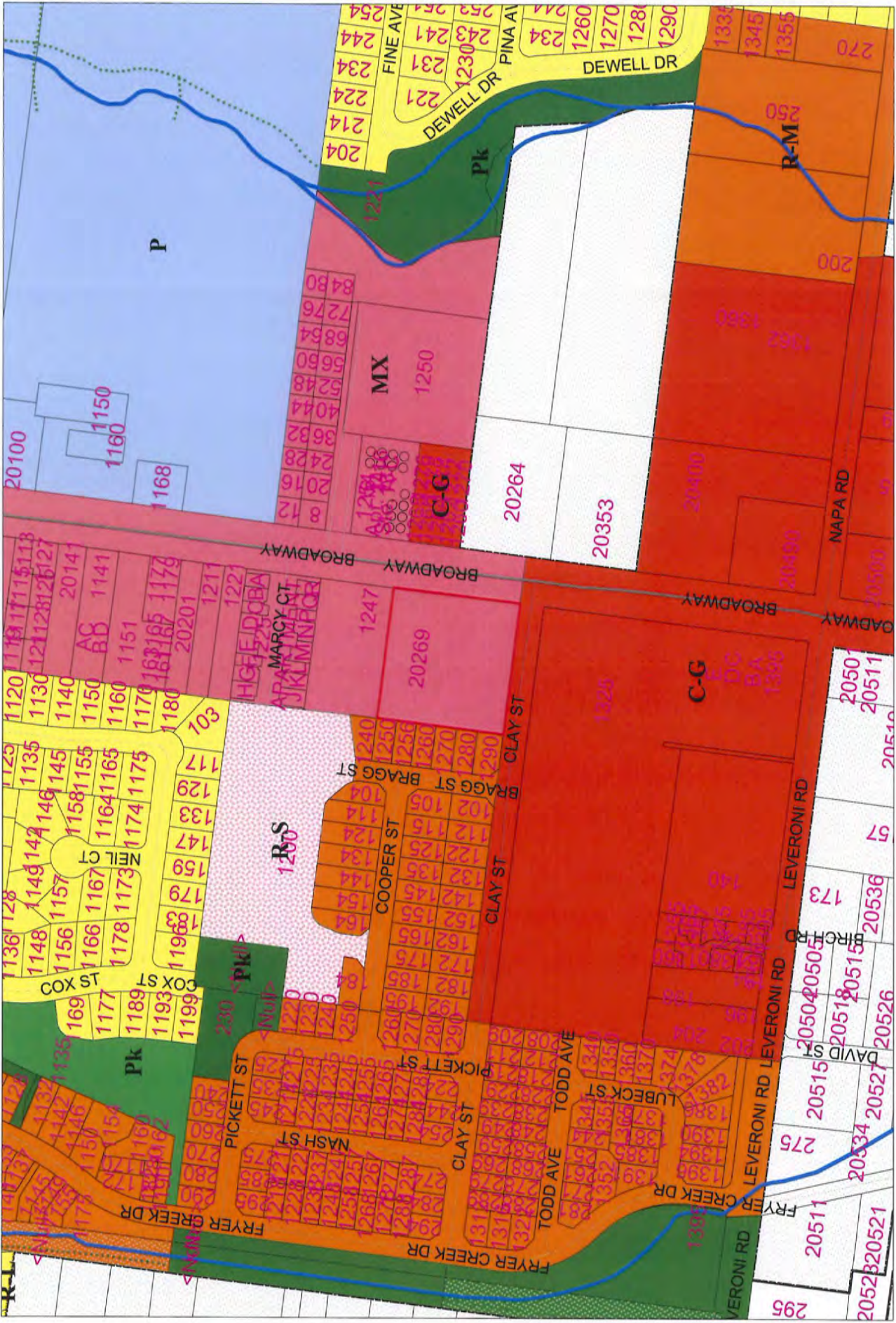
Rural Residential		Mobile Home Park		Park	
Low Density Residential		Mixed Use		Hillside	
Sonoma Residential		Commercial		Agriculture	
Medium Density Residential		Gateway Commercial		Open Space Overlay	
High Density Residential		Wine Production		City Limits	
Housing Opportunity		Public Facility		Sphere of Influence/UGB	

Figure CD-2

Land Use Plan

Source: City of Sonoma, October 2006.

20269 Broadway



SCALE 1 : 3,712

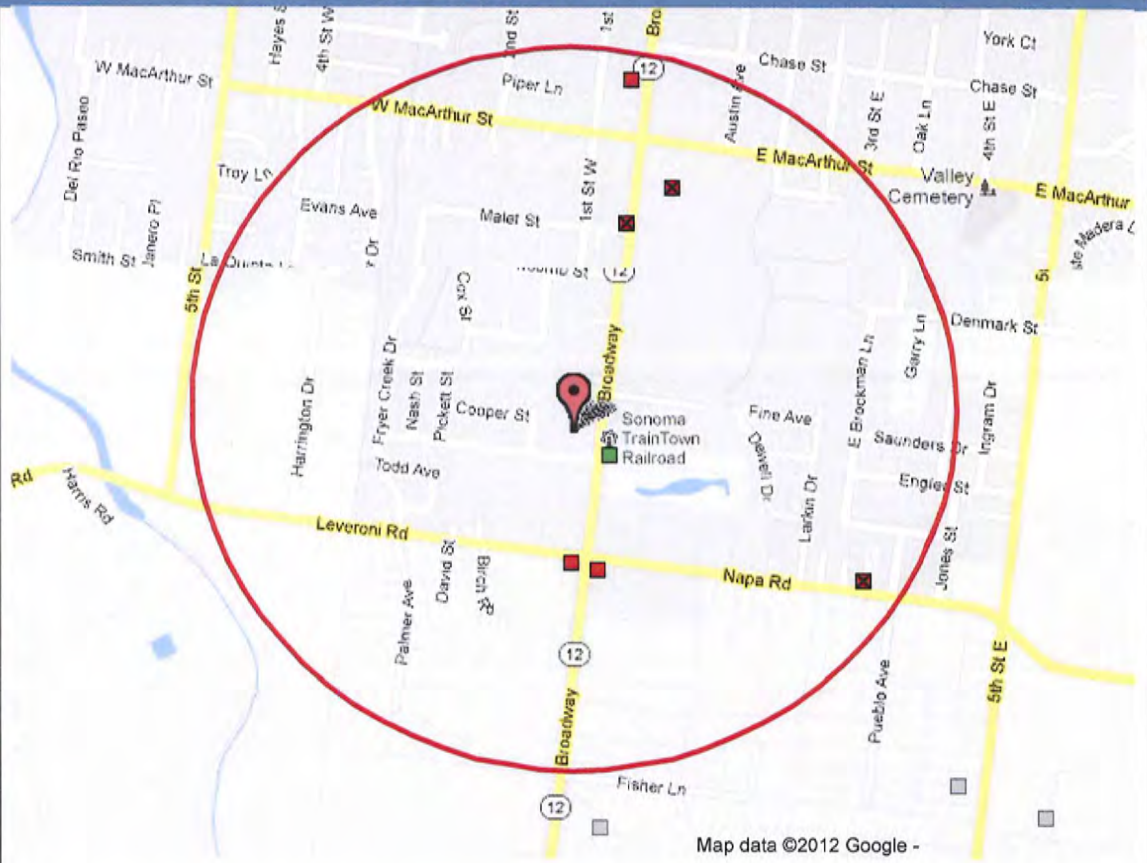
GEOTRACKER

LAYERS

- SIGNIFIES A CLOSED SITE
 - Leaking Underground Tank (LUST) Cleanup Sites
 - Other Cleanup Sites
 - Land Disposal Sites
 - Military Sites
 - WDR Sites
 - Permitted Underground Storage Tank (UST) Facilities
 - Monitoring Wells*
 - * ZOOM IN TO SEE MWS
 - ▲ DTSC Cleanup Sites
 - ▲ DTSC Haz Waste Permit
- ### MAP SIZE

640x480
- ### OPTIONS

Site List - [EXPORT TO EXCEL](#)
- 7 Sites



Map data ©2012 Google -

SHOW SITES WITHIN 2500 FEET OF THE FOLLOWING ADDRESS: 20269 Broadway, Sonoma, CA

SITE LIST

SITE NAME	GLOBAL ID	CLEANUP STATUS	ADDRESS	CITY
■ DANIEL AUTO REPAIR	T0609700816	OPEN - REMEDIATION	20501 BROADWAY	SONOMA
■ FOUR CORNERS SERVICE	T0609701018	OPEN - REMEDIATION	20500 BROADWAY	SONOMA
■ GOLDEN GATE PETROLEUM - HWY 121 SPILL	T10000000391	OPEN - ASSESSMENT & INTERIM REMEDIAL ACTION	3600 HIGHWAY 121	SONOMA
■ JACOBONI PROPERTY	T0609700845	COMPLETED - CASE CLOSED	370 NAPA RD	SONOMA
■ POOL SCENE	T0609700895	COMPLETED - CASE CLOSED	1270 BROADWAY	SONOMA
■ SONOMA VALLEY HIGH SCHOOL	T0609700933	COMPLETED - CASE CLOSED	20000 BROADWAY	SONOMA
■ STU'S 76	T0609788606	OPEN - REMEDIATION	899 BROADWAY	SONOMA

MAP AN ADDRESS:

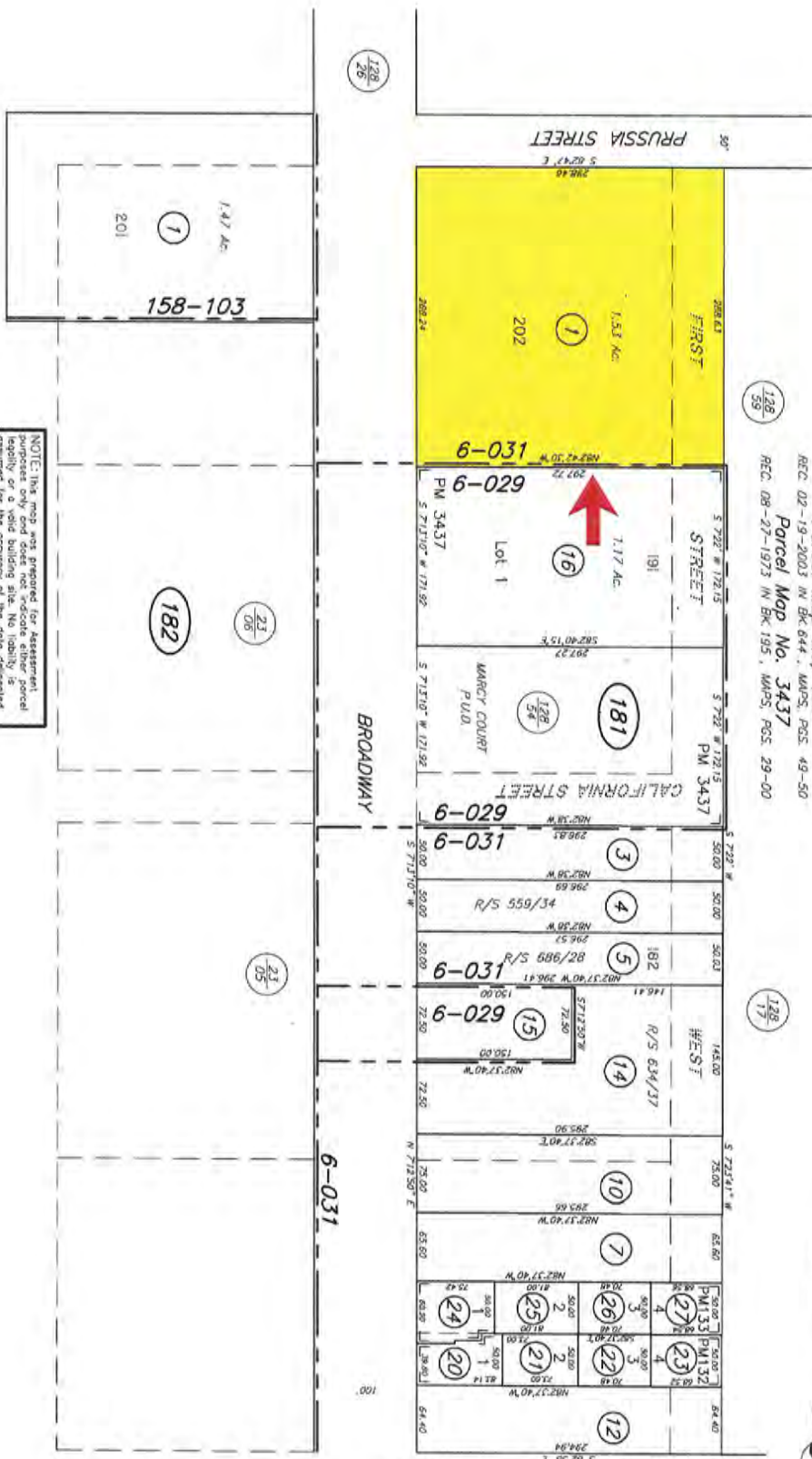
COUNTY ASSESSOR'S PARCEL MAP

Parcel Map No. 132
 REC. 02-19-2003 IN BK 644, MAPS, PGS. 47-48
 Parcel Map No. 133
 REC. 02-19-2003 IN BK 644, MAPS, PGS. 49-50
 Parcel Map No. 3437
 REC. 08-27-1973 IN BK 195, MAPS, PGS. 29-00

TAX RATE AREA
 158-103
 6-029
 6-031

128-18

SCALE: 1"=100'



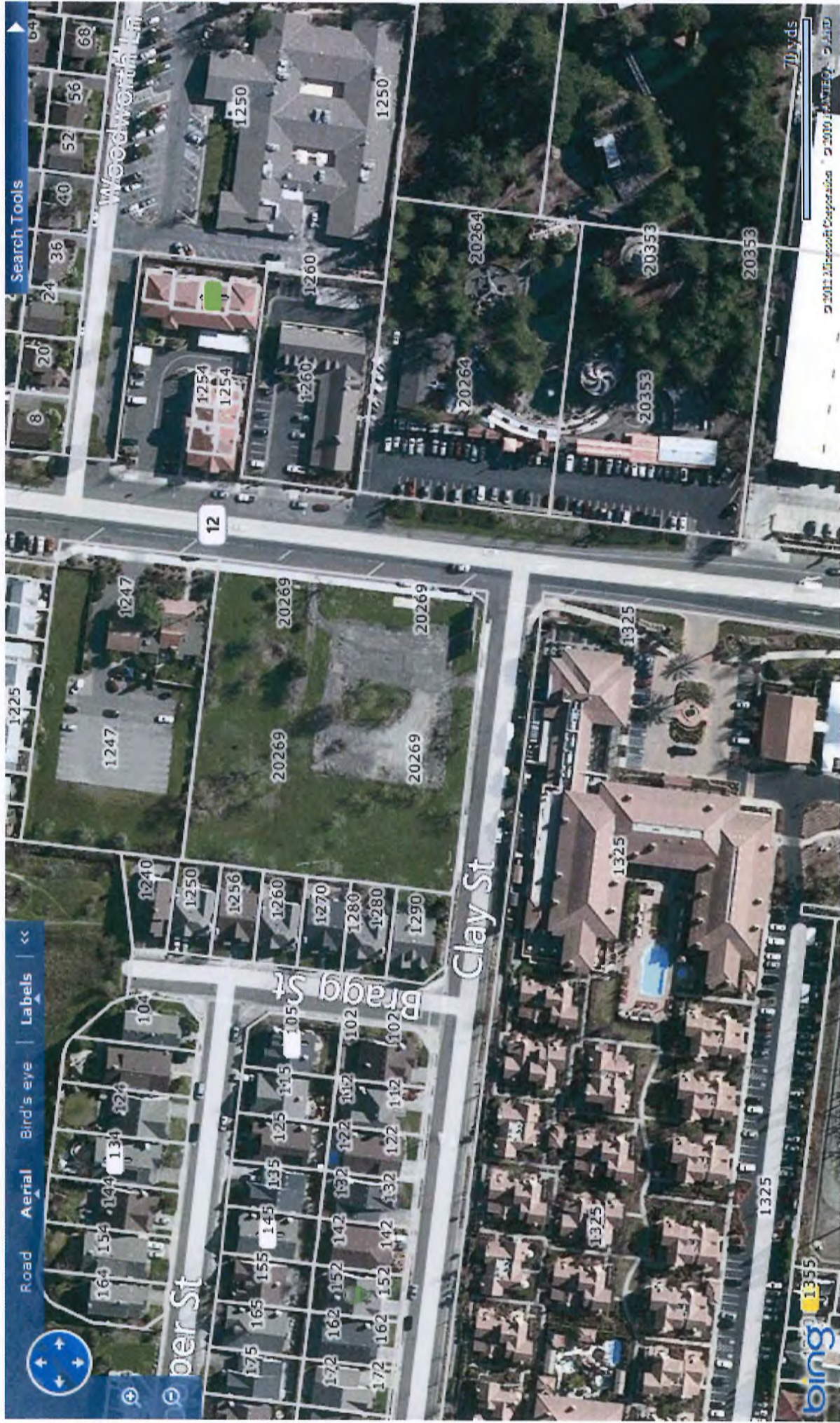
NOTE: This map was prepared for Assessment purposes only and does not indicate either parcel boundaries or the location of any easements or other interests. The acreages are based on the information supplied to the Assessor (i.e. recorded survey maps, recorded deeds, prior assessment maps, etc.)

NOTE: Assessor's parcels do not necessarily constitute legal lots. To verify legal parcel status, check with the appropriate city or county community development or planning division.

- REVISED
- 12-04-73
 - 06-04-77
 - 10-26-78=Adl. RL
 - 03-04-03=19 (181) RM
 - 12-17-03=23 (181) LF
 - 12-18-03=27 (181) LF
 - 05-10-06=R/S BC

Assessor's Map Bk. 128, Pg. 18
 Sonoma County, Calif. (A20)
 KEY 4/07/09 AG

CLOSE-UP AERIAL PHOTO - 20269 BROADWAY



HIGHEST AND BEST USE ANALYSIS

The term “highest and best use”, as used in this report, is defined as follows:⁷

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value.

The four criteria the highest and best use must meet are:⁸

1. *Legally permissible*
2. *Physically possible*
3. *Financially feasible*
4. *Maximally productive*

The above definition applies to the highest and best use of a property as though vacant and with improvements in place. When a site contains improvements, the highest and best use may be determined to be different from the existing use. The existing use will continue unless and until land value in its highest and best use exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements. Two analyses are typically required for highest and best use. The first analysis is highest and best use of the land as though vacant. The second analysis is highest and best use of the property as improved.

Highest and Best Use — As Though Vacant

The subject site is appraised as a buildable mixed use site, vacant and available for development, under the current mixed use zoning with 20 residential units per acre maximum density and a 20% potential density bonus for affordable housing; up to 50% commercial use is permitted. Other uses may be allowed under conditional use permits and/or specific project approvals.

There is still significant unsold and unabsorbed development land in the local and regional market, and few lenders are making loans for construction or land purchases. Distress, bankruptcy and REO sales still dominate the market favoring “bottom feeders” and speculators seeking deep discounts for long-term land holds. Probable buyers would include well-capitalized and successful developers of housing and/or mixed use projects in the greater Bay Area who would initiate and complete the entitlement and permit processing, design and build and market the project.

⁷ The Appraisal of Real Estate, Appraisal Institute, Thirteenth Edition, 2008, pages 277-278.

⁸ Ibid., page 279.

The City of Sonoma has a housing growth management program restricting residential construction to 88 units per year. Any project with an affordable housing component would receive possible consideration for “fast-tracking” and exemptions from growth management restrictions.

Potential general highest and best use scenarios include:

- 1) Developer acquire site and initiate entitlement/permit processing to secure a priority position or “get a place in line” in the growth management program; “fast track” with affordable housing would be an investment consideration.
- 2) Developer obtain option to purchase with close of escrow subject to project approval, specific entitlements, priority position in City growth management program, permits, etc.
- 3) Investor/developer purchase on speculation and hold long-term until market improves for future development, without initiating permit processing due to current low demand and absorption of housing.

Any entitlements or uses or exemptions or zoning modifications are too speculative to consider without specific project plans that have been reviewed and/or approved by the City of Sonoma. This valuation is provided without consideration for assemblage or reconfiguration of this or nearby lots for entitlements for any particular proposed or hypothetical project or special purpose use or specific density bonus that may be provided for affordable housing. The probable general highest and best use scenarios are (1) and (2).

Highest and Best Use - As Improved

As of the effective date of value, the site was vacant. Sewer and water and other public utilities are available at the street, and PG&E has two easements along the southeast and southwest portions of the site. However, no utilities are connected to the site. Any development would require connection of utilities.

APPRAISAL METHODOLOGY

In the appraisal of real estate, any one or all of the three traditional approaches to estimating value may be applied. These are the cost, sales comparison, and income capitalization approaches.

The cost approach is based on a concept that suggests the value of a property tends to be set by the cost of producing (constructing) a substitute property of equal utility. This idea relates directly to the economic principle of substitution. The value estimate is predicated on the cost of acquiring the vacant land plus the cost of constructing the improvements. Therefore, the validity of the cost approach depends on the availability of comparable land sales and data that allow accurate estimates of construction costs. The cost approach is especially applicable in the case of new construction, where the improvements represent the highest and best use of the land and depreciation is of little consequence. Additionally, the cost approach is highly applicable to special purpose properties, or in other cases where there are no comparable data from which to develop either the sales comparison or income capitalization approach.

The sales comparison approach is a procedure whereby the value of a property is estimated by evaluating the market for similar properties and comparing these properties to the subject. This approach to value is based upon a concept that suggests the value of the property tends to be set by the cost of acquiring an equally desirable substitute property — i.e., economic principle of substitution.

The market value of a property is estimated by comparing the subject to like properties that have sold via "arm's length" agreements over a time period that reasonably reflects current market conditions. The analysis performed in this approach deals specifically with the differences that affect value, among properties and transactions. Some of these differences include the property rights appraised, the motivations of buyers and sellers, financing terms, market conditions at the time of sale, size, location, physical features and the income producing characteristics.

The validity of the sales comparison approach depends on the existence of recent sales of properties which are reasonably similar to the subject. This method can be useful for valuing developed general purpose properties, or vacant land.

The income capitalization approach is based on the fact that income-producing real estate is typically purchased as an investment. Thus, from an investor's point of view, the potential earning power of a property is the critical element affecting value. This concept is directly related to the economic principle of anticipation. Within the income capitalization approach there are two basic techniques that can be utilized to estimate market value. These techniques of valuation are direct capitalization and yield capitalization. *Direct capitalization* is a method used to convert an estimate of a single years net operating income into an indication of value in one direct step. This step is either by dividing the income estimate by the relevant income rate — i.e., overall capitalization rate; or, by multiplying the income estimate by a proper factor — i.e., net or gross income multiplier. *Yield capitalization* is a method used to convert future benefits into a present value by discounting each future benefit at an appropriate yield rate — i.e., discounted cash flow analysis.

The validity of the income capitalization approach hinges upon the accuracy of which the income expectancy of a property can be measured.

Commercial and/or residential income property valuation involves a process of determining hypothetical or prospective values resulting from sales of proposed finished improvements, and deducting various costs and discounting net cash flows over a reasonable time frame from project inception through completion to final absorption and sale. This method can also be applied to obtain residual land value of an unfinished site or undeveloped portion of same.

The *sales comparison approach* was applied as the best indication of market value for land, as though vacant and available for development. The *income approach* was not used, because of insufficient data for project sales, engineering/contractor costs, timing or other items needed to derive an accurate residual land value or discounted valuation under any hypothetical development scenario analysis methodology. The *cost approach* was not applicable since there are no economic or non-obsolete structures or other improvements of significance.

VALUATION ANALYSIS

Sales Comparison Approach:

The subject mixed use zoned site was acquired in 2007 by a public agency for redevelopment that never occurred, primarily as a result of the severe economic decline and financial crisis and effects of the housing “bubble” that still linger. Redevelopment agencies were dissolved in early 2012, and the site is appraised as a potential mixed use or PUD project site. It is vacant raw land with no plans or entitlements. Attributes examined under the sales comparison approach include:

Adjustment Factors:

<i>Property Rights Conveyed:</i>	Fee simple, leased fee, leasehold estate, etc.
<i>Financing Terms:</i>	Favorable seller financing, assumption of below market mortgage.
<i>Condition of Sale:</i>	Reflects the additional motivation of the seller(s) or buyer(s), bankruptcy, short sales, REO transactions.
<i>Market Conditions:</i>	Economic environment, supply and demand situation.
<i>Location:</i>	Visibility, accessibility, surrounding uses, economic characteristics of the immediate area.
<i>Economic Profile:</i>	Economic aspects of the property and user profile.
<i>Zoning / General Plan:</i>	Uses allowed, policies and standards set by permitting agencies, entitlements and restrictions, ease of permit processing, pending general plan changes and zoning.
<i>Physical Characteristics:</i>	Physical aspects - i.e., infrastructure, utilities, sizes of parcels and/or buildings, topography, soils, features such as landscaping, orientation to rivers/lakes/creeks, building configuration, site shape and utility, quality, “curb appeal”, effective age and condition of improvements and amenities, excess land and site coverage, access and parking, and other physical characteristics.

Land Comparables



Land Comparables Summary:

#	Location & Parcel No's	Zoning	Date + Doc #	Grantor / Grantee	Price	Site sf + acres	\$ per sf	Remarks
1	18820 Sonoma Hwy, Boyes Hot Springs 056-611-082	LC-TS-SD-SR	Listing	Sonoma Project LLC / (tba)	\$345,000 asking	27,007 sf 0.62 ac	\$12.77 asking	Rectangular interior site with utilities available at street; 100' frontage; curb, gutter+sidewalk; 2005 purchase price by developer was \$750,000; no entitlements; motivated seller.
2	840 W Napa St, Sonoma 127-211-009	Coml front 1/3+ MDR rear 2/3	Listing	M. Lenihan / (tba)	\$775,000 asking	43,996 sf 1.01 ac	\$17.62 asking	Narrow site, split zoning - Coml front 1/3 w/ 72.5' frontage on W. Napa + Med Density Residential rear 2/3 w/ 72.5' frontage on W. Spain.; offsites in place; older home+barn interim use as rental pending development; no plans or entitlements; on market Mar 2012.
3	18590-18594 Hwy 12, Boyes Hot Springs 056-501-061	LC-TS-SR	Listing	Valley of Moon Realty / (tba)	\$499,000 incl plans/permits (asking price)	11,500± sf 0.264± ac	\$43.39 incl plans / permits (asking price)	Approved plans & permit for 2-story mixed use building, ground floor office + two 2bdr/2ba apartments upper floor; northbound turn signal approval included w/ plans; some offsites in place.
4	Sweetwater site W Spain +5 th St W Son. 127-204-007, 8, 9, 10, 18	R-L 2-5 du/ac	12/27/10 10-117818	Son Comm Dev Agency / Woven Shade Inc	\$1,450,000	120,224 sf 2.76 ac	\$12.06	Assemblage - 5 redevelopment parcels for autistic adults group subsidized housing; 1-yr escrow, wetlands mitigation issues and high density permit processing.
5	210 Perkins St Sonoma 018-293-009, -010 9-unit townhouse condo project site	MX 20 ac den	Listing	Second Street Lofts LLC / (tba)	\$1,350,000 asking or \$150,000 per condo TM + common area asking	20,100± sf 0.46± ac	\$67.16 asking	Corner site adjacent to Whole Foods shopping ctr; utilities at street; 9-unit condo project preliminary plans and tentative map approved by city in 2008; unable to find financing; project on hold; on mkt July 2012.
6	840-860 Litchfield Av, Sebastopol 11 finished lots 004-141-034 to 004-141-040 + 004-141-043	R-1	5/14/12 12-063913 12-046091	Westamerica Bank (REO) / Ryder Homes of California	\$1,315,000 REO sale \$119,545 per finished sfr lot	81,022 sf 1.86 ac	\$16.23	11 finished lots in a 13-lot subdivision; including working drawings that need to be re-submitted; project approved in 2008 for Pinnacle Development; bank foreclosed after two homes built, sold; buyer recd \$4,995,000 loan.
7	1650 W Steele Ln Santa Rosa 041-042-012 14-unit multi-family project	R-3-15 mix use allow	3/9/12 12-023525	Stagecoach Devel / Zecchino LLC	\$470,000 or \$33,571 per TM unit	42,689 sf 0.98 ac	\$11.01	Rectangular infill site adjacent to strip center, across street from Redwood Ice Arena near Coddington; incl plans + tentative map for Meadowbrook Place; zoning allows mixed use; distress sale.
8	2055 Guerneville Rd, Santa Rosa 036-061-047 Cherrywood Townhomes 10-unit PUD project	R-1-6	3/9/12 12-023526	Stagecoach Devel / Zecchino LLC	\$540,000 or \$54,000 per raw land unit w/ plans +studies, but no TM or entitlements	73,181 sf 1.68 ac	\$7.38	Narrow rectangular infill site across street from Safeway-anchored Marlow Center; raw land with old structures that may be utilized; wetland/biotic + soils + environmental studies done; plans+tentative map to be submitted; addl access to Barsuglia St. on north.
	<u>Subject:</u> 20269 Broadway Sonoma 128-181-001	MX 20 ac den		Sonoma Co Community Development Commission		86,000± sf 1.97± ac per parcel map+city; includes abandoned street		Vacant rectangular corner site, Hwy 12 Broadway corridor; coml+mixed uses; offsites in place; City would allow 39 residential units+20% density bonus for affordable housing; coml uses less than 50%; potl lot size discrepancy per Assessor records; survey needed.

Prepared by: Raymond Mattison, ASA, MAI - Oct. 2012

Land Comparables Analysis:

Eight (8) commercial land comparables were selected for comparison. These sites are zoned for commercial, mixed use and residential development. They are located in the city of Sonoma and southern Sonoma Valley unincorporated district of Boyes Hot Springs, Santa Rosa and Sebastopol. Four comparables were closed transactions that occurred in December 2010, March 2012 and May 2012. Four comparables are listings of vacant commercial and mixed use zoned sites in Boyes Hot Springs and Sonoma. Due to the scarcity of comparable sales data with few transactions in the Sonoma sub-market and other areas of Sonoma County, it was necessary to investigate and consider properties that were distress sales, short sales, REO and bankruptcy liquidations. Only one selected comparable was an REO sale and two were apparent distress sales. One listing of a site in Boyes Hot Springs with no recent plans or approvals involves a motivated seller. Another property in Boyes Hot Springs that is listed with approved plans and permits for mixed use (ground floor office and upper floor apartments) has been on the market about two-plus years with no confirmed offers or LOI's. The two apparent distress sales of stalled projects involved a very motivated seller who was unable to obtain financing and a wealthy buyer motivated to conclude a 1031 exchange.

Unadjusted prices are between \$345,000 for the third smallest parcel and \$1,450,000 for the largest vacant site. Unit prices per square foot site area have a very wide spread from a low of \$7.38 per sf to a high of \$67.16 per sf, a listing of a site with project plans and entitlements and other invested costs. Parcel sizes of the comparables range from 11,500 sf or 0.264 acre to 120,224 sf or 2.76 acres, bracketing the subject 86,000± sf or 1.97± acres. The preceding sales summary is mostly self-explanatory. The comparable analysis and adjustments are discussed below.

Land Comparable 1 is the current listing of a 27,007 sf LC-TS-SD-SR zoned interior parcel at 18820 Sonoma Highway in Boyes Hot Springs. The asking price is \$345,000 or \$12.77 per sf for the site with off-site improvements in place and utilities available at the street. It was purchased by a developer in 2005 for \$750,000. Project plans for a three-story office building with apartments or townhouse units based on certain dwelling allotments were submitted and approved in 2006, but canceled in 2007 per PRMD. There are no current plans or entitlements. In 2002, an old card room was demolished and the sewer connection was capped off. A minor downward adjustment is made for the listing, as listings tend to set the upper limit of value. Moderate upward adjustments are warranted for the inferior location and interior lot orientation. Corner lots tend to reflect higher unit prices. A minor downward adjustment is warranted for the smaller parcel size. Smaller properties tend to reflect higher unit prices, all other things considered equal.

Land Comparable 2 refers to the current listing of a narrow rectangular 43,996 sf or 1.01 acre site in the city of Sonoma at 840 West Napa St.; this parcel has frontage on West Napa St. and West Spain St. It has split zoning - commercial on the front 1/3 (facing West Napa St.) and medium density residential on the rear 2/3 facing West Spain St. Offsites are in place. An older home and barn have interim rental use, pending development. There are no project plans or entitlements per the agent or City of Sonoma. The property is listed for \$775,000 or \$17.62 per sf, and was put on the market in March 2012. A minor downward adjustment is made for the listing. A minor downward adjustment is made for the superior location on the primary Highway 12 commercial corridor several blocks west of the Plaza. A minor upward adjustment is needed for the interior lot orientation as compared with the subject corner lot, which is offset by a downward adjustment for the separate access at West Spain Street on the north. No costs are available for demolition, but such costs may be offset by the interim rental income until such time that permits are issued and site construction work is commenced.

Land Comparable 3 is the current listing of a 11,500± sf LC-TS-SR zoned interior parcel with project plans and entitlements at 18590 Highway 12 in Boyes Hot Springs. The project plans include a northbound turn signal approval. The asking price for the entitled site with plans is \$499,000 or \$43.39 per sf with some off-site improvements in place and utilities available at the street. The price reflects significant development costs for engineering and architectural plans, permit processing and approvals for a two-story building with ground floor offices and two upper floor 2bdr/2ba apartments. The project also involved a voluntary merger of two parcels to create a larger buildable site. A minor downward adjustment is made for the listing, but a significant downward adjustment is warranted for the above-market price that is not attracting end-users or developers or investors per local brokers. A significant downward adjustment is warranted for the value added by professional project plans and entitlements. The actual costs were not disclosed, but were reported to be significant. The planning and entitlement processing took more than two years. Plans for construction were halted by the poor economy and lack of available financing and lack of pre-leasing. The property was put on the market at a higher price and later reduced. There have been no reported offers or LOI's or options. While the project plans and entitlements add significant value to the site, they were done for the particular developer and may not meet the needs of prospective buyers. The plans for a small two-story mixed use building may be more suited to a specific end-user seeking a "live-work" build-to-suit property fully entitled. However, the market for "live-work" properties has been poor, and the buyer profile for such a building is very narrow segment of the pool of prospective end-users according to local and regional brokers. A minor upward adjustment is indicated for the interior lot orientation. A minor downward adjustment is applied for the smaller parcel size.

Land Comparable 4 is the Sweetwater subsidized housing project site where a group housing project for autistic adults was under construction as of the valuation date. The L-shaped property consists of five contiguous lots with frontage on W. Spain St. and 5th Street W. Total site size as shown on Assessor's records and maps is 120,224 sf or 2.76 acres. It was sold by the Sonoma Community Development Agency to Woven Shade Inc., a non-profit social services organization. It was placed in contract in December 2009, and closed December 27, 2010 for a reported price of \$1,450,000 or \$12.06 per sf, all cash. The lengthy escrow was due to wetlands study and mitigation as well as engineering and permit processing. The property was transferred to an affiliated entity, Sweetwater Spectrum Inc. in February 2011, and a \$4,000,000 construction loan was obtained from First Republic Bank in June 2012. Minor to moderate upward adjustments are made for the larger site size, irregular shape with narrow frontage on two streets, and significant wetland mitigation required. Minor downward adjustments are warranted for superior entitlements and density bonus for subsidized housing units that were factored into the negotiated price.

Land Comparable 5 refers to the listing of an L-shaped 20,100± sf or 0.46± acre MX-20 zoned site consisting of two parcels located at 210 Perkins Street at the corner of Second Street West, adjacent to the Whole Foods Shopping Center in Sonoma about 0.3 mile southwest of the Plaza. There are preliminary project plans and an approved tentative map for a 9-unit condominium building. In 2007, there was considerable neighborhood resistance to the project as being a "poor fit", etc. The City of Sonoma provided conditional approval in 2008. However, the project was stalled by the poor housing market and inability to obtain construction financing. The asking price is \$1,350,000 or \$150,000 per each condominium tentative map unit and common areas. The site was purchased in April 2007 for \$1,100,000 close to the top of the market. The owner, Second Street Lofts LLC, c/o Robert Pursell, put the property on the market in July 2012, and had not received any offers as of the valuation date. Mr. Pursell reported that the approvals are still valid until July 2013 and that a prospective buyer would need to obtain and submit working drawings for final review and approval and site work and building permits. A minor downward adjustment is made for the listing, but a significant downward adjustment is warranted for the above-market price that is not attracting end-users or developers or investors per local brokers. At \$150,000 per condo unit entitled land cost, a buyer would have to market the units for a very high above-market price just to cover land costs, final plans and permits, site work and construction. Local and regional brokers consider an entitled land cost of \$150,000 per unit as unfeasible, given the poor demand from a limited buyer pool for high cost condominium housing - even for a project close to the CBD and Sonoma Plaza. A significant downward adjustment is warranted for the apparent value added by professional project plans and entitlements. Actual costs were not disclosed, but were reported to be significant. The planning and entitlement processing took nearly two years, plus extensions that were required as well as holding costs. A minor downward adjustment is made for the superior location near the Sonoma Plaza and adjacent to a shopping center, with a minor offset for the secondary location on smaller neighborhood streets. A minor downward adjustment is applied for

the smaller lot size, and a minor offsetting upward adjustment is provided for the L-shape site configuration..

Land Comparable 6 is the REO sale of 11 finished lots at 840-860 Litchfield Ave. in Sebastopol, consisting of 81,022 sf or 1.86 acres in a 13-lot subdivision project that was foreclosed upon after two homes were built and sold. The project was approved in 2008 for Pinnacle Development, but the project was stalled by the poor market and inability to obtain further financing. After lengthy market exposure, the property was purchased on May 14, 2012 by Ryder Homes of California for a reported price of \$1,315,000 or \$119,545 per finished lot with all infrastructure in place or \$16.23 per sf. Working drawings were included with the sale, but have to be updated and resubmitted to the City of Sebastopol. The buyer obtained a \$4,995,000 construction loan. A moderate upward adjustment is made for the REO sale. Minor offsetting adjustments are applied for the slightly inferior location on a secondary street in southern Sebastopol, but in an established residential neighborhood. Moderate downward adjustments are needed for the finished lot entitlement status with all offsites and infrastructure in place.

Land Comparables 7 and 8 refer to two proposed subdivision parcels, one of which allows mixed uses as well as medium density residential development. Both were sold on March 9, 2012 by Stagecoach Development of Santa Rosa to Zecchino LLC (Peter Seghesio, et.al.). This was an apparent distress sale involving two projects stalled by poor market conditions and scarcity of financing. This two-property transaction was also reported as a 1031 exchange for a wealthy buyer. The 14-unit multi-family project at 1650 W. Steele Lane referred to as Meadowbrook Place is zoned R-3-15 which allows mixed uses. It is well located near the Coddington Mall across the street from Redwood Empire Ice Arena and adjacent to a non-anchored strip center. There is other multi-family housing in the vicinity. This 42,689 sf or 0.98 acre property was sold with approved plans and tentative map for \$470,000 or \$33,571 per entitled tentative map unit, or \$11.01 per sf. Working drawings are needed. This is a slightly superior location, but has interior lot orientation. The 10-unit Cherrywood Townhomes project site located at 2055 Guerneville Road is zoned R-1-6. This 73,181 sf or 1.68 acres is raw land with old structures that may be utilized if they can be economically renovated with building code upgrades. This is a narrow rectangular infill parcel that has additional access on the north to Barsuglia St. It is across the street from the Safeway-anchored Marlow Center at Guerneville and Marlow Roads. Initial studies have been done, and preliminary plans and tentative map are ready to be submitted. The price paid was \$540,000 or \$54,000 per raw land unit with preliminary plans and studies, but no entitlements. This is an inferior comparable. Both properties were apparent distress sales acquired by an investor willing to take on significant risk in a marginal housing market. Both were all cash transactions.

Summary and conclusion - comparable analysis - buildable site:

Of the eight (8) comparables analyzed, four were closed sales and four were current listings as of the effective date of value. Unadjusted prices are between \$345,000 for the third smallest parcel and \$1,450,000 for the largest vacant site. Unit prices per square foot site area have a very wide spread from a low of \$7.38 per sf to a high of \$67.16 per sf, a listing of a site with project plans and entitlements and other invested costs. Parcel sizes of the comparables range from 11,500 sf or 0.264 acre to 120,224 sf or 2.76 acres, bracketing the subject 86,000± sf or 1.97± acres. Several comparables reflected proposed/planned unit prices ranging from \$33,571 per tentative map unit to \$150,000 per unit including common areas. The preceding sales summary and analyses are mostly self-explanatory. Most properties required minor to significant downward and upward adjustments for sale conditions (REO, seller/buyer motivation, distress, project plans/entitlements), location, orientation, access, utilities, zoning/development restrictions, parcel size/shape/effective utility and other physical characteristics. No adjustment grid was provided, because there were no exact matched pairs or other precise discernible variances to derive any specific mathematical adjustments. Each of the subject parcels had different attributes with minor to moderate variances among them (i.e., corner vs. interior lot orientation, site shape, frontage-to-depth ratio, entitlements and other value-added components, infrastructure, available utilities and connections, parcel size and other factors).

Net adjustments for certain variances and physical characteristics ranged from approximately minus 75% to about plus 40%, a wide spread. The four comparables that showed effective unit prices indicated that developers and end-users have concerns about project economic feasibility with low demand and high costs associated with land and entitlements and ultimately construction and sales of the end products. Scarcity of financing for speculative housing and mixed use projects has also affected demand which has been generally poor in the local and regional market. The properties given moderate to high reliability weights were Comparables 1, 2, 4, 7 and 8. These include three closed sales. Lower weights were attributed to listing Comparable 3 (above market), listing Comparable 5 (very high listing price with plans and entitlements in Sonoma, way above market), and closed sale Comparable 6 (REO, finished lots).

There have been no reported offers or letters of intent (LOI) for the subject within the past three years. Due to the scarcity of comparable sales data with few transactions in the Sonoma sub-market, it was necessary to consider properties sold or offered as REO or short sales or through bankruptcy or foreclosure. Only one recent REO sale was selected for comparison, but that one involved 11 finished unsold lots in a stalled project affected by low market demand and poor economic climate.

The market comparisons reflected both land prices per square foot and indicated prices per unit, from raw unentitled land to entitled land with plans and approved maps to finished lots with final map recorded and all infrastructure in place.

The effective indicated net prices after adjustments and weighting are between about \$1,000,000 and \$1,800,000, still a fairly wide spread. Indicated adjusted buildable site unit prices based on approximate site area or buildable parcel size range from about \$12.00 to about \$21.00 per sf, a fairly moderate spread. Local and regional brokers and developers and other market participants including investors are concerned about land costs as a key component to a final finished project. For an unentitled mixed use project site that is conveniently located in an area with complimentary and/or similar uses and with established infrastructure, a raw land “threshold” price per unit plus common areas would likely be in the range of about \$35,000 per unit to about \$60,000 per unit. This indicated range would reflect speculative projects without plans or entitlements that require a planning and permit processing time of about one to two years, plus another year or more for final permits and completion of construction. A few well capitalized developers and builders may be willing to assume such risks and have the financial strength and market expertise to see projects of this nature through to successful conclusions. Some economists and investors and developers anticipate a return to more stable market conditions, but none anticipate high demand and high price appreciation that would lead to another housing “bubble” or financial crisis.

As of the valuation date, the client reported no specific interest in the subject from any other public agencies or prospective buyers or brokers. The subject is a scarce mixed use site located in a convenient commercial corridor location in the southern Sonoma Valley and city of Sonoma; only a few vacant parcels in the general area are on the market and have no reported offers or pending sales. The client requested this appraisal to assist in establishing a baseline “as is” market price for a potential listing of the property for sale and for negotiating a future sale.

The subject site is appraised as a buildable mixed use site, vacant and available for development, under the current mixed use zoning with 20 residential units per acre maximum density and a 20% potential density bonus for affordable housing; up to 50% commercial use is permitted. Other uses may be allowed under conditional use permits and/or specific project approvals. There is still significant unsold and unabsorbed development land in the local and regional market, and few lenders are making loans for construction or land purchases. Distress, bankruptcy and REO sales still dominate the market favoring “bottom feeders” and speculators seeking deep discounts for long-term land holds. Probable buyers would include well-capitalized and successful developers of housing and/or mixed use projects in the greater Bay Area who would initiate and complete the entitlement and permit processing, design and build and market the project.

RECONCILIATION AND FINAL OPINION OF “AS IS” MARKET VALUE

Only the sales comparison approach was applicable to this valuation of the subject buildable site with mixed use zoning that could accommodate a PUD project containing residential units plus up to 50% commercial building space. There was insufficient information available to derive market value under other traditional approaches. There were no project plans or proposed entitlements for specific uses or densities or special purpose uses that might be used to derive a residual land value. There were no exact matched pairs or any so-called “perfect comparables”. All have disparate characteristics and fairly moderate to wide variances.

Moderate to high weights were given to the negotiated prices of adjusted comparables, as these transactions and market activities reflected the “meeting of the minds” of principals for buildable residential and commercial and mixed use project sites, but not for any hypothetical or prospective special purpose development or assemblage or lot line adjustments that could provide certain types of projects or other highest and best use scenarios. Lower weights were attributed to one sale of finished lots and two listings. The valuation is provided without regard to any specific potential or hypothetical project or assemblage of the site for any special purpose use or medium to high density residential or commercial or mixed use or nearby residential development under any highest and best use scenarios other than allowed under the MX-20 zoning.

The most probable general highest and best use scenarios are:

- 1) Developer acquire site and initiate entitlement/permit processing to secure a priority position or “get a place in line” in the growth management program; “fast track” with affordable housing would be an investment consideration.
- 2) Developer obtain option to purchase with close of escrow subject to project approval, specific entitlements, priority position in City growth management program, permits, etc.

The value conclusion reflects a reasonable correlation between price per square foot (\$18 per sf) for buildable site area and price per potential unit (based on a threshold of \$40,000 per unit including common areas). The 38% indicated price decline from original acquisition to market value over five years - 2007 to 2012 - is less severe than price declines for many other development sites for subdivisions, PUD projects, commercial and mixed uses -- sometimes ten cents on the dollar. Sites with project plans, entitlements and even finished lots with all site work done have been sold or are being marketed for fractions of previous reported prices. There is still significant unsold and unabsorbed development land in the local and regional market, and few lenders are making loans for construction or land purchases. Distress, bankruptcy and REO sales still dominate the market which favors “bottom feeders” and speculators seeking deep discounts for long-term land holds.

The effective “as is” date of value is August 14, 2012, the inspection date.

The final opinion of the “as is” fee simple market value of the subject parcel is as follows:

Raw land - up to 39 PUD residential units plus common area; up to 50% commercial uses allowed per City of Sonoma	39 units - pad sites +common area at \$40,000 per raw unentitled potential residential unit = \$1,560,000 indicated value
Raw land - development site for mixed residential and commercial uses	86,000± sf at \$18/sf = \$1,548,000, rounded to \$1,550,000 indicated value
Reconciled Opinion of Value	\$1,550,000

**ONE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS
(\$1,550,000)**

Marketing Time/Exposure Period: Up to twelve months for a “normal” marketing time, or longer, if professionally marketed and exposed to end-users and real estate investors and developers on the open market. A longer marketing time could occur because of due diligence issues such as environmental investigation, remediation, engineering, surveys, wetland/soils studies, mitigation, plans, entitlements, permit processing, etc.

A D D E N D A

SUBJECT PHOTOGRAPHS

SUBJECT PHOTOGRAPHS



1. **20269 Broadway, facing northwest from intersection of Broadway and Clay St.; advertising billboards at corner (billboard lease expires February 29, 2013).**



2. **Driveway access to subject from Broadway, view facing west.**



3. View facing south from subject site across Clay St. toward The Lodge at Sonoma.



4. View facing east from subject across Broadway toward Traintown.



5. **View facing east along Clay St. toward residential subdivision; Lodge at Sonoma at left; subject site at right.**



6. **View facing south on Broadway toward Four Corners signalized intersection; subject and Lodge at Sonoma on right; Traintown at left.**



7. **Westerly portion of subject site; view facing north from Clay St.; boundary of subdivision at left.**



8. **Portion of subject site with paving remnants; residential and commercial properties in background.**



9. **Easterly portion of subject and offsite improvements; view facing north on Broadway; paved utility cover with vents adjacent to sidewalk; office building in background.**



10. **Broadway frontage and sidewalk, Four Corners intersection in background.**

GRANT DEED & LEGAL DESCRIPTION

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL DOCUMENT
AND TAX STATEMENT TO:

City of Sonoma
20269 Broadway
Sonoma, CA 95476



2007115857

OFFICIAL RECORDS OF
SONOMA COUNTY
JANICE ATKINSON

FIRST AMERICAN TITLE CO.
10/23/2007 14:13 DEED
RECORDING FEE: 0.00
PAID

7 PGS



Space Above This Line for Recorder's Use Only

A.P.N.: 128-181-001

NO FEE PER GOVERNMENT CODE 6103

File No.: 4906-2673472 (DJ)

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$; CITY TRANSFER TAX \$0.00;
SURVEY MONUMENT FEE \$

- [] computed on the consideration or full value of property conveyed, OR
[] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[] unincorporated area; [] City of Sonoma, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Albert M. Ranzani and Dolores M. Ranzani, as Trustees of The Albert M. Ranzani and Dolores M. Ranzani Revocable Living Trust - 1993 created pursuant to Declaration of of Trust dated 8/20/93, as to an undivided 1/3 interest; Benjamin L. Pedranzini and Rosemarie Pedranzini, husband and wife as Joint Tenants, as to an undivided 1/3 interest; Karen M. Lowe, a married woman as her sole and separate property, as to an undivided 1/6 interest; and Gary L. Bianchini, an unmarried man, as to an undivided 1/6 interest**

hereby GRANTS to **Sonoma Community Development Agency, a public body**

the following described property in the unincorporated area of **Sonoma**, County of **Sonoma**, State of **California**:

PARCEL ONE:

LOT 202, IN SAID FORMER PUEBLO OR EX-CITY OF SONOMA, AS THE SAME ARE KNOWN, NUMBERED AND DESIGNATED UPON THE OFFICIAL MAP OR PLAT OF SAID FORMER PUEBLO OR EX-CITY.

PARCEL TWO:

ALL THE NARROW STRIPS OF LAND, FORMERLY STREETS, LYING AND EXTENDING BETWEEN LOTS NOS. 202 AND 203.

Dated: 10/16/2007

A.P.N.: 128-181-001

Grant Deed - continued

File No.: 4906-2673472 (DJ)

Date: 10/17/2007

Albert M. Ranzani and Dolores M. Ranzani,
as Trustees of The Albert M. Ranzani and
Dolores M. Ranzani Revocable Living Trust -
1993 created pursuant to Declaration of Trust
dated 8/20/93

Benjamin L. Pedranzini

Karen M. Lowe

Albert M. Ranzani, Trustee
Albert M. Ranzani, Trustee

Dolores M. Ranzani, Trustee
Dolores M. Ranzani, Trustee

Rosemarie Pedranzini

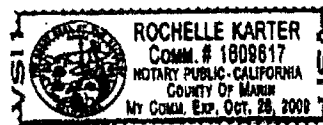
Gary L. Bianchini

signed in counterpart

STATE OF California) SS
COUNTY OF Marin)

On October 17, 2007, before me, Rochelle Karter, Notary Public
Notary Public, personally appeared
Albert M. Ranzani and Dolores M. Ranzani, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature

Rochelle Karter

My Commission Expires: 10/26/09

This area for official notarial seal

Notary Name: Rochelle Karter

Notary Phone: 415-945-3250

Notary Registration Number: 11059617

County of Principal Place of Business: Marin

Albert M. Ranzani and Dolores M. Ranzani,
as Trustees of The Albert M. Ranzani and
Dolores M. Ranzani Revocable Living Trust -
1993 created pursuant to Delcaration of Trust
dated 8/20/93

Benjamin L Pedranzini
Benjamin L. Pedranzini

Karen M. Lowe

Signed in counterpart

Albert M. Ranzani, Trustee

Dolores M. Ranzani, Trustee

Rosemarie Pedranzini
Rosemarie Pedranzini

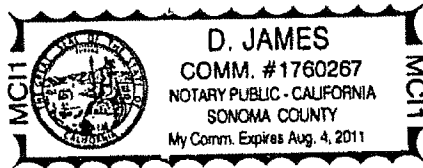
Gary L. Bianchini
Gary L. Bianchini

STATE OF California)SS
COUNTY OF Sonoma)

On 10/16/07, before me, D. James, Notary Public

Notary Public, personally appeared
Benjamin J. Pedranzini and Rosemarie Pedranzini personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature [Signature]

My Commission Expires: 8/4/11

This area for official notarial seal

Notary Name: D. James
Notary Registration Number: 1760267

Notary Phone: 707-938-1800
County of Principal Place of Business: Sonoma

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

File No: 4906-2673472 (DJ)
APN No: 128-181-001

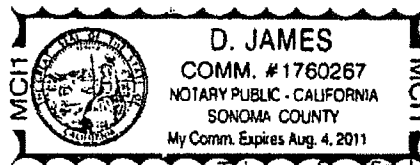
STATE OF California)SS
COUNTY OF Sonoma)

On October 19, 2007 before me, D. James, Notary Public, personally appeared Gary L. Bianchini

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

WITNESS my hand and official seal.

Signature _____



This area for official notarial seal.

**OPTIONAL SECTION
CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- INDIVIDUAL
- CORPORATE OFFICER(S) TITLE(S)
- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

Albert M. Ranzani and Dolores M. Ranzani,
as Trustees of The Albert M. Ranzani and
Dolores M. Ranzani Revocable Living Trust -
1993 created pursuant to Delcaration of Trust
dated 8/20/93

Benjamin L. Pedranzini

Karen M. Lowe
Karen M. Lowe

Albert M. Ranzani, Trustee

Dolores M. Ranzani, Trustee

Rosemarie Pedranzini

Gary L. Bianchini

STATE OF CA)SS
COUNTY OF SANTA CLARA)

On 10-17-07, before me, STEVE CHASE
Notary Public, personally appeared

KAREN M. LOWE, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/~~she~~ they executed the same in his/~~her~~ their authorized
capacity(~~ies~~) and that by his/~~her~~ their signature(s) on the instrument the person(s) or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

SM



My Commission Expires: 3-9-11

This area for official notarial seal

Notary Name: STEVE CHASE

Notary Phone: 831-427-4075

Notary Registration Number: 1729993

County of Principal Place of Business: SANTA CLARA

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance is to certify that the interest in real property conveyed by the grant deed dated October 16, 2007 from Benjamin L. Pedranzini and Rosemarie Pedranzini, et al ("Grantor") to the SONOMA COMMUNITY DEVELOPMENT AGENCY, a policy corporate and politic ("Grantee"), is hereby accepted by order of the SONOMA COMMUNITY DEVELOPMENT AGENCY pursuant to authority conferred by Resolution No. 03-2007 adopted on October 17, 2007, and the Grantee Sonoma Community Development Agency hereby consents to recordation thereof by it duly authorized officer.

Dated: Oct 22, 2007

"GRANTEE"

SONOMA COMMUNITY DEVELOPMENT
AGENCY

By: Michael Fuson
Michael Fuson, Executive Director

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sonoma

} ss.

On Oct. 22, 2007, before me, Gay Rainsberger, Notary Public

personally appeared Michael Fuson



Personally known to me

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

WITNESS my hand and official seal.

Place Notary Seal Above

Gay Rainsberger
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

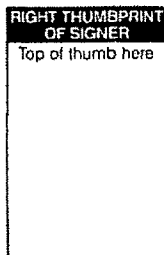
Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____
Signer Is Representing: _____



Signer's Name: _____
 Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____
Signer Is Representing: _____



LAND USE & ZONING INFORMATION

COMMUNITY DEVELOPMENT ELEMENT

Table CDE-3: Land Use Definitions, Con't.

Land Use Category	Density ¹ and Intensity
Commercial, Mixed Use, and Industrial Designations	
<p><i>Gateway Commercial:</i> This designation is applied specifically to the Four Corners area and the Verano triangle. It is intended to promote high-quality neighborhood- and visitor-serving office and retail development while implementing a coordinated design program for these areas, in keeping with their status as gateways to the community and in recognition of the need to buffer residential development. Building coverage is limited compared to other commercial areas to allow for landscaping and transition areas. Cultural and recreational facilities, hotels, and small-scale agricultural support facilities are allowed in association with apartments and mixed use developments and necessary public improvements. Schools, day care facilities, fire stations, post offices, emergency shelters, and similar activities may be allowed subject to use permit review. Large-scale shopping centers, gas stations, high-turnover restaurants and heavy manufacturing and industrial uses are not allowed.</p>	<p><i>Density:</i> Up to 20 residential units per acre. (Density limitation does not apply to hotels.)</p> <p><i>Intensity:</i> 36-foot height limit and maximum lot coverage of 50%. Floor Area Ratio: 0.80</p>
<p>→ <i>Mixed Use:</i> This designation is intended to accommodate uses that provide a transition between commercial and residential districts, to promote a pedestrian presence in adjacent commercial areas, and to provide neighborhood commercial services to adjacent residential areas. It is also intended to provide additional opportunities for affordable housing, especially for low and very low income households. The Mixed Use designation also is intended to recognize the continued existence of uses that contribute to the character or function of their neighborhood and to allow for the possibility of their expansion. Day care facilities, fire stations, post offices, transitional housing, and emergency shelters may be allowed subject to use permit review. A residential component is required in new development, unless an exemption is granted through use permit review. Retail and office uses are allowed subject to use permit approval to ensure compatibility with adjacent neighborhoods.</p>	<p><i>Density:</i> Up to 20 residential units per acre.</p> <p><i>Intensity:</i> 36-foot height limit and maximum site coverage ranging from 70% to 100%, depending on Development Code standards. Floor Area Ratio: 0.6—1.2</p>
Special Purpose Designations	
<p><i>Hillside:</i> This designation is intended to preserve Sonoma's hillside backdrop, while allowing limited residential development in conjunction with agricultural uses. Crop and tree farming are allowed.</p>	<p><i>Density:</i> 1 residential unit per 10 or more acres (excluding second units).</p> <p><i>Intensity:</i> 30-foot height limit (two stories) and maximum lot coverage of 20%.</p>
<p><i>Agriculture:</i> This designation is intended to protect remaining tracts of productive agriculture within city limits, including grazing land, truck farms, vineyards, and crop production areas.</p>	<p><i>Density:</i> 1 unit per 10 or more acres.</p> <p><i>Intensity:</i> 30-foot height limit (two-stories), excluding agricultural processing facilities, which may be higher subject to use permit review, and maximum site coverage of 30%.</p>

B. Commercial Zoning Districts.

1. C (Commercial) District. The C zoning district is applied to areas appropriate for a range of commercial land uses including retail, tourist, office, and mixed uses. The maximum residential density is 20 dwelling units per acre. The C zoning district is consistent with the Commercial land use designation of the General Plan.
2. C-G (Commercial-Gateway) District. The C-G zoning district is applied to the Four Corners and Verano Triangle areas, prominent commercial entrances into the city that require sensitive site design. The maximum residential density is 20 dwelling units per acre. The C-G zoning district is consistent with the Gateway Commercial land use designation of the General Plan.
3. Residential Component. In applications for new development on properties of one-half acre in size or larger for which a discretionary permit is required, a residential component is required, unless waived by the planning commission. A residential component should normally comprise at least 50 percent of the total proposed building area. Circumstances in which the residential component may be reduced or waived include, but are not limited to, the following:
 - a. The replacement of a commercial use within an existing tenant space with another commercial use.
 - b. The presence of uses or conditions incompatible with residential development on or adjacent to the property for which a new development is proposed.
 - c. Property characteristics, including size limitations and environmental characteristics, that constrain opportunities for residential development or make it infeasible.
 - d. Limitations imposed by other regulatory requirements, such as the Growth Management Ordinance.



C. Mixed Use Zoning District.

1. MX (Mixed Use) District. The MX zoning district is intended to allow for higher density housing types, such as apartments and condominiums, in conjunction with commercial and office development, in order to increase housing opportunities, reduce dependence on the automobile, and provide a pedestrian presence in commercial areas. Under this designation, long-standing commercial and industrial uses in otherwise residential areas may be preserved and, subject to use permit review, modified or intensified. The maximum residential density is 20 dwelling units per acre. The MX zoning district is consistent with the Mixed Use land use designation of the General Plan.
2. Residential Component. In applications for new development for which a discretionary permit is required, a residential component is required, unless waived by the planning commission. A residential component should normally comprise at least 50 percent of the total proposed building area. Circumstances in which the residential

component may be reduced or waived include, but are not limited to, the following:

- a. The replacement of a commercial use within an existing tenant space with another commercial use.
- b. The presence of uses or conditions incompatible with residential development on or adjacent to the property for which a new development is proposed.
- c. Property characteristics, including size limitations and environmental characteristics, that constrain opportunities for residential development or make it infeasible.
- d. Limitations imposed by other regulatory requirements, such as the Growth Management Ordinance.

D. Special Purpose Zoning Districts.

1. A (Agriculture) District. The A zoning district is applied to existing agricultural areas within the city. The intent of the zoning district is to protect these parcels for productive agricultural uses. The maximum residential density is one dwelling unit per 10 acres. The A zoning district is consistent with the Agricultural land use designation of the General Plan.
2. Pk (Park) District. The Pk zoning district is applied to parkland of a variety of types, from intensively developed playing fields and recreational facilities (including museums and recreation centers), to natural open spaces where development is limited to trails. The Pk zoning district is consistent with the Park land use designations of the General Plan.
3. P (Public Facilities) District. The P zoning district applies to areas appropriate for a variety of public and quasi-public land uses. The P zoning district is consistent with the Public land use designations of the General Plan.
4. W (Wine Production) District. The W zoning district is applied to winery facilities. Only winery-related land uses are suitable for this designation. The W zoning district is consistent with the Wine Production land use designation of the General Plan. (Ord. 03-2004 § 1, 2004; Ord. 2003-02 § 3, 2003).

19.10.030 Overlay zoning districts and standards.

A. Purpose. Overlay zoning districts regulate new and existing land uses by providing guidance for development in addition to the standards and regulations of the primary zoning district and subarea. These overlay districts apply to areas where important site, environmental, cultural, and other compatibility issues require particular sensitivity in project planning.

B. Applicability. The requirements of the overlay districts apply to proposed land uses and development in addition to all other applicable requirements of this development code. In the event of any perceived conflict between the requirements of the overlay districts and any other provision of this development code, the most restrictive shall control.

Table 2-3 Mixed Uses and Permit Requirements

Allowed Uses and Permit Requirements for Mixed Use Zoning Districts		P	Use permitted
		UP	Use permit required
		–	Use not allowed
Land Use ¹	Permit Required by District ²		Specific Use Regulations
	MX		
MANUFACTURING AND PROCESSING USES³			
Artisans/Craft Product Manufacturing	UP		
Food and Beverage Manufacturing	UP		
Furniture/Fixtures Manufacturing, Cabinet Shops	UP		
Change in Existing Nonconforming Uses	UP		SMC <u>19.82.020</u>
Recycling Facilities – Small Collection Facilities	–		
Research and Development (R&D)	UP		
Warehousing, Wholesaling and Distribution	–		
RECREATION, EDUCATION AND PUBLIC ASSEMBLY USES³			
Clubs, Lodges, and Private Meeting Halls	UP		
Community Centers	UP		
Health/Fitness Facilities	UP		
Indoor Amusement/Entertainment Facilities	UP		
Libraries and Museums	UP		
Nightclubs and Bars	UP		
Outdoor Commercial Recreation	–		
Religious Facilities	UP		
Schools – Specialized Education and Training	UP		
Studios for Art, Dance, Music, Photography, Etc.	UP		
Theaters and Auditoriums	UP		

Emergency Shelters/Transitional Housing	UP	
Live/Work Facilities	UP	SMC <u>19.50.050</u>
Multifamily Dwellings (Four or Fewer Units)	P	
Multifamily Dwellings (Five or More Units)	UP	
Single-Family Dwellings	P5	
RETAIL TRADE3		
Accessory Retail Uses	UP	
Art, Antique, Collectible and Gift Sales	UP	
Artisan Shops	UP	
Auto and Vehicle Sales/Rental	–	
Building Material Stores	–	
Drive-In and Drive-Through Sales	UP	
Farmers Market	UP	
Fueling Station	UP	
Furniture, Furnishings and Equipment Stores	UP	
General Retail	UP	
Grocery Store	UP	
Outdoor Retail Sales and Activities	UP	
Plant Nurseries and Garden Supply Stores	UP	
Restaurant	UP	
Restaurant, with Live Music	UP	
Second Hand Stores	UP	
Shopping Center	UP	
SERVICES3		
Auto Parts Sales	UP	
Banks and Financial Services	UP	
Bed and Breakfast Inns (B&Bs)	UP	
Business Support Services	UP	
Child Day Care Facilities	UP	

Drive-In and Drive-Through Facilities	UP	
Equipment Rental	UP	
Governmental and Public Facilities	UP	
Hotel or Motel	UP	
Medical Services – Clinics, Offices, Laboratories	UP	
Medical Services – Hospitals	–	
Mortuaries and Funeral Homes	UP	
Offices, Professional and Administrative	UP	
Personal Services	UP	
Storage – Outdoor	–	SMC <u>19.40.100(D)</u>
Storage – Personal Storage Facility (Mini-Storage)	–	
Telecommunications Facilities, Commercial	See Chapter <u>5.32</u> SMC, Telecommunications Facility and Antenna Criteria	
Vacation Rental	UP	
Vehicle Services, Repair and Maintenance	UP	
Vehicle Services, Service Stations	–	SMC <u>19.50.100</u>
Repair Services for Consumer Products	UP	
SPECIAL PURPOSE USES		
Public Utility Facilities	–	
Public Utility Equipment	P	

Notes:

1. See SMC 19.10.050(C) regarding uses not listed. See Division VIII for definitions of the listed land uses.
2. New development in the Mixed Use zone shall include a residential component unless waived by the planning commission through use permit review (see SMC 19.10.020(C)).
3. Uses within these categories are allowed only if the planning commission finds that the use will not result in the encroachment of incompatible commercial uses within an established residential area.
4. New residential developments subject to the city's growth management ordinance.
5. Limited to a single residence on an existing lot of record; otherwise, use permit approval is required.

APPRAISER'S QUALIFICATIONS

Raymond B. Mattison, ASA, MAI
Mattison Associates — Commercial Appraisers

4000 Montgomery Drive, #A-2 • Santa Rosa, CA 95405
Mailing Address: P.O. Box 507 • Santa Rosa, CA 95402-0507
Telephone: 707-575-0200 • FAX: 707-575-5933
e-mail: mat2apr3@sonic.net

Summary Qualifications

Raymond B. Mattison, ASA, MAI, has been appraising full time for the past 24 years. Expertise is concentrated in commercial and industrial properties, other income-producing real estate and development projects. He provides appraisals for new construction as well as upgrades/renovation of existing improvements. Types of properties include manufacturing, flex/R&D, light industrial, warehouse-distribution, office buildings and shopping centers (regional/neighborhood/strip retail). Specialty property experience includes medical, dental and professional offices, restaurants, gas stations, convenience stores, mini-lubes, car washes, automotive service, truck terminals, veterinary clinics, storage facilities, bowling centers, and other special purpose properties. He has appraised new subdivisions, townhouse/PUD/apartment and mixed use "live-work" projects, motels, hotels, mobile home / RV parks, vineyards and wine distribution facilities, large ranches and other rural properties. He has appraised problem assets involving contamination, easements, restricted access, mitigation, entitlements, non-conforming uses, physical deterioration and other diminution of value. Clients include lending institutions, attorneys, accountants, public agencies, corporations, estate and trust administrators, investors and developers. Services include fee/leased fee/leasehold appraisals, compliance reviews, market analysis, highest and best use and feasibility studies, and consultation.

In addition to income properties and vacant land valuation, he has extensive background in right-of-way and eminent domain valuation, compliance reviews, and is qualified as an expert witness.

Mr. Mattison is based in Santa Rosa serving the North Bay - specifically Sonoma, Marin and Napa Counties. He is also affiliated with appraisal offices in the East and South Bay districts, and with other appraisal firms in Los Angeles, Orange and San Diego Counties, and in the Sacramento area.

He holds the MAI designation with the Appraisal Institute and the ASA senior appraiser designation in Real Property - Urban with the American Society of Appraisers. His education includes an MBA from the University of Southern California and appraisal courses and seminars from the Appraisal Institute, American Society of Appraisers and the International Right of Way Association. He is a past president of the San Francisco Chapter of ASA, former board member of Los Angeles and San Francisco chapters, and served on the ASA International Real Property Committee 2002-2012. He is a member of both the San Francisco and Los Angeles chapters of ASA, and was Real Property Conference Chair for the LA 2007 International Conference. He has also served as North Bay Branch Chair of the Appraisal Institute's Northern California Chapter. He serves as an advisor to the ASA SF and LA Chapter directors, and participates in developing joint workshops and seminars and other special events with AI-ASA-ASFMRA-IRWA and educational publications. He recently completed a two-year term as Legislative Affairs Chair for ASA California chapters.

Prior to entering the appraisal profession, he was employed in project management and marketing in the high technology industry in the U.S. and overseas, and performed many consulting assignments including feasibility studies for development projects.

RAYMOND B. MATTISON, ASA, MAI

RESUME AND QUALIFICATIONS

EDUCATION

Academic:

- Master of Business Administration, University of Southern California.
- Bachelor of Science, California State Polytechnic University at Pomona.

Appraisal Institute and/or American Society of Appraisers:

- Uniform Standards of Professional Appraisal Practice (USPAP) & Code of Ethics.
- Appraisal Principles, Valuation Procedures.
- Advanced Income Capitalization, Advanced Sales Comparison and Cost Approaches.
- Case Studies in Real Estate, Report Writing and Valuation Analysis.
- Highest & Best Use & Market Analysis.
- Litigation Valuation, Eminent Domain, Appraiser as Expert Witness, Appraisal Review.
- Partial Interest, Common Tenancy, Partnership, Leasehold, Going Concern Valuation.
- Subdivision Analysis & Valuation.
- Shopping Center, Office, Industrial, Vineyard Valuation Seminars and Workshops.

TECHNICAL SKILLS

- Commercial / Industrial / Subdivision / Vineyards & Rural Property Appraisals.
- Right-of-way / Eminent Domain; Expert Witness.
- Market Research, Economic / Feasibility Analysis.
- Partial Interest / Estates & Trusts / Leasehold / Business Valuation / Financial Analysis.

LENDER APPROVALS - (Partial list - special approvals by several other lenders)

- Luther Burbank Savings
- Sonoma Bank (Sterling Savings Bank)
- Exchange Bank
- Summit State Bank
- First Community Bank
- Westamerica Bank (former N.B.R.)
- American River-North Coast Bank
- NVB Business Bank
- Five Star Bank

PROFESSIONAL AFFILIATIONS

- Appraisal Institute - MAI designation - served as North Bay Branch Chair 2004-05.
- American Society of Appraisers, Accredited Senior Appraiser Designation (ASA), Member of San Francisco & Los Angeles Chapters, Int'l Real Property Committee.
- American Society of Appraisers, President (FY 1998-99), San Francisco Chapter #41.
- American Society of Appraisers, California Legislative Affairs Chair 2010-2011.
- American Society of Appraisers, International Real Property Committee 2002-2012.
- Certified General Real Estate Appraiser - State of California (#AG005292).
- International Right of Way Association - Member.
- Real Estate Brokers License, State of California (DRE# 811215).
- Santa Rosa West Rotary - past director and treasurer.

GOVERNMENT AGENCIES

- Counties of Sonoma (Public Works, General Services, Water Agency) and Marin.
- Cities - Santa Rosa, Rohnert Park, Healdsburg, Sebastopol, Windsor, Cloverdale, Ukiah.
- California Dept. of Transportation (Caltrans approved expert witness).
- Sonoma County - Parks & Recreation, Open Space District.
- Mendocino County Transit Authority.

EXPERIENCE

Raymond Mattison began his career in real estate in 1981 doing independent fee appraisal, appraisal review, highest and best use studies, market/feasibility analysis, business valuation, litigation and arbitration and expert witness support throughout Northern and Southern California. He was associated with Applied Valuation Concepts / Spaich Appraisal Group of Pleasanton 1991 to 2005. He was also affiliated with Keegan & Coppin Appraisal Division 1992 to 1996; and Seevers, Jordan & Ziegenmeyer of Sacramento from 1996 to 1998. Prior business experience includes project management and marketing/business development in high technology, electronics and telecommunications.

REPRESENTATIVE ASSIGNMENTS

PROPERTY IDENTIFICATION	PROPERTY DESCRIPTION & CLIENT
Napa Gateway Business Park adjacent to Napa Co. Airport, Napa	Construction loan appraisals - four flex-industrial/R&D/office bldgs, 31,860± to 45,100±SF. Prepared for US Bancorp and Mechanics Bank.
Airport Business Center / Westwind B.P. / Windsor Bus. Park / N.W. Reg Indus. Park	Const+purch loans+litigation - flex-industrial/R&D/mfg/office/whse bldgs and vacant sites. Prepared for Exchange Bk, Son Natl Bk, others.
Redwood Business Park 1235 Airport Park Blvd., Ukiah	Construction loan appraisal, 80,000 SF Friedman Bros. retail center and 38,624 SF warehouse on 10.5 acres. Prepared for US Bancorp.
Shiloh (Wal-Mart/Home Depot) Center Hwy 101/Shiloh Rd/Hembree Ln, Windsor	Site development / construction loan appraisals for 36 acre project and right-of-way valuations. Prepared for three lenders, Town of Windsor.
Downer Square + 0.5 ac pad site, San Jose	71,315 SF neighborhood center. Prepared for Andersen Co. CPAs.
Montecito Center+18.94ac site, Santa Rosa	61,777 SF neighborhood center + excess land. Prepared for REI
Downtown Santa Rosa mid-rise offices	3 bldgs - 34,176 to 65,350 SF. Prepared for L.B.S.+Greenwich Capital
8801 Conde Lane, Windsor	27,500± SF bowling center, excess land. Prepared for FDIC, N Coast Bk.
10700 MacArthur Blvd. & Foothill Blvd. adjacent to I-580, Oakland	151,163± SF Foothill Square Ctr., including partial conversion to offices. Prepared for Imperial Thrift, updated for Columbia Equities.
OCLI / Flex Products (JDSU) - Bldg. D 2789-93 Northpoint Parkway, Santa Rosa	47,475± SF R&D/manufacturing facility and offices. Prepared for OCLI and Flex Products, now part of JDSU.
Russ Berrie distrib ctr, Oakmead Bus Park; 2249 So. McDowell Ave. Ext., Petaluma	Warehouse-distribution facility, 233,568± SF on 11.18 acres. Prepared for Wilentz, Goldman & Spitzer representing Russ Berrie Estate/Trust.
Southwest Santa Rosa Industrial Districts	Manufacturing/industrial/high-bay distribution facilities 25,560± SF to 240,000± SF; Prepared for Exch. Bank, Son Bk, Natl Bk Redwoods, attys.
Former Vacu-Dry facilities, north+south properties, Sebastopol	375,190 SF NRA on 81.52± acres (both properties combined). Prepared for Downey-Brand, corporate legal counsel for SWHI.
Santa Rosa Avenue commercial corridor, Santa Rosa	Const+loan appraisals+ROW - multi-tenant retail+indus bldgs+devel sites - Prepared for lenders, attorneys, investors, developers
2875 Santa Rosa Ave., Santa Rosa	Former Yeager & Kirk home improvement ctr, 35,290± SF on 8.24 acres. Prepared for Heller, Ehrman, White & McAuliffe for bankruptcy court.
So. Bay - San Jose, Santa Clara, Sunnyvale, Campbell, Palo Alto, Menlo Park	Industrial, R&D, office, retail, automotive, vet hospital - const+other loan appraisals. Prepared for lenders, attorneys, investors
E. Bay - Contra Costa, Alameda, Solano Co's.	Commercial properties, development sites. Prepared for attorneys, lenders, investors.
Stony Point Rd. + Sebastopol Rd. areas; and Stony Point Rd. from Todd Rd. to Hwy. 116 - Santa Rosa to Cotati	Right-of-way appraisals: 100± properties - retail strip centers, coml, indus, truck depot, two dairies, equestrian ctr., church, agric+rural residential. Prepared for Sonoma Co. Public Works, Caltrans, City of Santa Rosa.
Mini-lube - Santa Clarita, Monrovia, San Jose, Camarillo, San Mateo, Concord, Martinez, Santa Rosa, Rohnert Park, Costa Mesa	Construction / renovation / leasehold / business appraisals for Chevron Oil Stop/mini-lube facilities, car wash, gas station. Prepared for Luther Burbank Sav., Nat Bk Redwoods, No. Coast Bank, Summit State Bank.