

CITY OF SANTA ROSA PLANNING AND ECONOMIC DEVELOPMENT  
ZONING ADMINISTRATOR MEETING  
JANUARY 16, 2020  
PROJECT NAME: PLAZA TEMPORAL - MITOTE FOOD PARK

DECLARATION OF JOHN PAULSEN

I, John Paulsen declare:

1. I was born in Santa Rosa in 1956 and lived in Roseland and attended school in Roseland. My father owned the eastern half of Roseland Village since the 1940s.
2. Ever since I can remember I walked around the Roseland Shopping Center, speaking with the shop owners and patrons. When I was not even a teenager, I helped my father with miscellaneous maintenance and repair activities at Roseland. Accordingly, I have an intimate daily relationship with Roseland Village Shopping Center. I still go there almost daily.
3. At all times I saw the commercial and patron, vehicular and pedestrian access and parking across the back and front of the buildings and parking lot. At all relevant times I was aware of the parking and traffic reciprocal easements negotiated by Santa Rosa Mayor Hugh Coddington and my father to allow orderly development and use of Roseland Village. The 1956 Reciprocal Recorded Easements is attached as **Exhibit 1**. It has been in effect since I can remember and honored.
4. I looked at the Preliminary Title Report secured by the CDC when negotiating to purchase the Baugh property in 2010. It clearly identifies the Recorded Easement. I also looked at the Baugh Lease documents. The Baugh Lease documents clearly identify the existence of not only the recorded easements, but the existing and obvious historical access and parking common area shared by both halves of the Roseland Village Shopping Center. **Exhibit 2**. The CDC was aware of these before its purchase.
5. I looked at the appraisal secured by the CDC in 2010. From the attached pages the following are obvious.
  - A. The CDC intentionally withheld from the Appraiser the existence of the recorded Reciprocal Easements. **Exhibit 3**.

1 B. Even in the intentional CDC document manipulation, the Appraisers or a casual  
2 visit could observe the **actual** prescriptive use by both halves of the Roseland  
3 Village center for access and parking across the other. **Exhibit 3.** This condition is  
4 depicted in, for example, the photos. **Exhibit 4.**

5 6. The vehicular access across the asphalt in front of the old Albertons' concrete pad is 27  
6 feet wide. I personally measured it. Considering there will be more, not fewer, vehicles  
7 driving across the shopping center once food trucks and bar arrive, the existing 27 ft.  
8 wide driveway, and existing parking must be maintained. Neither can be legitimately  
9 blocked. Doing so will be a direct violation of the Recorded and Historical presumptive  
10 easements, and a clear violation of the City of Santa Rosa Planning recommendations.

11 7. The failings of the CDC as an "absentee" landlord are glaring and dangerous. The  
12 attached photos (**Exhibit 5**) show the CDC indifference to trash, lack of maintenance, and  
13 blight. The past is the best predictor of the future. Strict standards must be articulated and  
14 an enforcement mechanism provided. The CDC track record of stewardship is abysmal  
15 for the past nine (9) years. I and my business Lessees and patrons have been forced to  
16 tolerate CDC indifference, that requires me to ask for months, over a dozen times, for  
17 even the simplest maintenance and cleanup to be performed.

18 8. My business Lessees include:  
19 El Primo Express; Camacho Market; Casa Del Samartiano Christa.  
20 Chula's Party Supplies; EL Patron Fashion; El Favrito Restaurant.  
21 Herbalife; Max's Tamales; Income Tax Services; Peckham Law Offices (Immigration).

22 I ask that the City of Santa Rosa require any CDC or MidPen or Mitote Application related  
23 representations to the City of Santa Rosa to be placed in writing and under Penalty of Perjury. This is  
24 one way to distinguish Palaver from Truth, and any presumed Good versus demonstrated Bad Faith of  
25 these Applicants statements.

26 Be very clear, I do not appose the concept of the Mitote Food Park. It could be easily placed on  
27 the old Albertson's site, and still maintain the existing traffic flow, fire truck access and parking.  
28 Similarly, it could be placed adjacent to the Dollar Store on the site of prior commercial activity, without

1 violating the Deeded and Historical access and parking and comply with City of Santa Rosa standards  
2 and regulations. Thank you.

3 I declare under penalty of perjury under the laws of the State of California that the foregoing  
4 is true and correct. Executed this 14<sup>th</sup> day of January, 2020 in Santa Rosa, California.

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8 JOHN PAULSEN, Plaintiff  
9 JOHN PAULSEN, ROSELAND VILLAGE, PAULSEN LAND  
10 CO., LLC  
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# EXHIBIT

1

GRANT OF RECIPROCAL EASEMENTS

THIS AGREEMENT, made this 25th day of July, 1956, by and between: ROSELAND VILLAGE, a California Corporation, hereinafter referred to as "First Party"; and CODDING ENTERPRISES, a California Corporation, hereinafter referred to as "Second Party".

W I T N E S S E T H

WHEREAS, the first party owns and has title to the following described real property, located in the County of Sonoma, State of California, to-wit:

Being a portion of the Rancho Cabeza de Santa Rosa, beginning at a point in the Northerly line of the County Road leading from Santa Rosa to Sebastopol, (Sebastopol Avenue), distant thereon North 73° 24' East 846.82 feet from an old stake at the Southwest corner of the tract of land deeded by Charles J. Buckland and wife to J. H. Brush by deed dated September 6, 1892, and recorded in Book 161 of Deeds, Page 613, Sonoma County Records; thence along the Northerly line of Sebastopol Avenue North 73° 24' East 567.18 feet; thence North 16° 36' West 547.8 feet to the Southerly line of the Right of Way of the Sebastopol Branch of the Northwestern Pacific Railroad, the true point of beginning of the parcel to be herein described; thence returning South 16° 36' East 547.8 feet to the Northerly line of Sebastopol Avenue; thence along the Northerly line of Sebastopol Avenue North 72° 45' East 200 feet; thence North 5° West 127.7 feet; thence North 82° 10' East 16.5 feet; thence North 5° West 62 feet; thence South 73° 50' West 91.8 feet; thence North 5° West 370 feet to the Southerly line of said Railroad Right of Way; thence South 79° 35' West along the Southerly line of said Railroad Right of Way 235 feet, more or less, to the point of beginning. Containing 2.49 acres, more or less; and

WHEREAS, the second party is the owner and possessor of that certain real property located in the County of Sonoma, State of California, more particularly, described as follows, to-wit:

Being a portion of the Rancho Cabeza de Santa Rosa, beginning at a point in the Northerly line of the County road leading from Santa Rosa to Sebastopol, (Sebastopol Avenue), distant thereon North 73° 21' East 846.82 feet from an old stake at the Southwest corner of the tract of land deeded by Charles J. Buckland and wife to J. H. Brush by deed dated September 6, 1892, and recorded in Book 161 of Deeds, page 613, Sonoma County Records; thence North 5° 35' West 596 feet to the Southerly line of the Right of Way of the Sebastopol Branch of the Northwestern Pacific Railroad, the true point of beginning of the parcel to be herein described; thence returning South 5° 35' East 596 feet to the Northerly line of Sebastopol Avenue; thence North 16° 36' West 547.8 feet to the Southerly line of said Railroad right of way; thence South 79° 35' West along the Southerly line of said Railroad Right of Way 450 feet more or less, to the point of beginning. Containing 6.69 acres more or less; and

WHEREAS, said properties are adjacent to each other so that the west line of the property of the first party forms the east line of the property of the second party; and

WHEREAS, both of said properties are now employed and used as the site of various store buildings, comprising a shopping center known as ROSELAND VILLAGE; and

WHEREAS, the parties hereto desire to grant to each other reciprocal easements over that portion of said real property which has been, and will be in the future, set aside for vehicular parking lots and drive-ways;

NOW, THEREFORE, in consideration of the reciprocal rights herein granted by each party to the other, and of the mutual covenants, agreements, conditions, and stipulations herein contained, it is mutually covenanted, stipulated, and agreed as follows:

1. The first party hereby grants unto second party, or its assigns, a non-exclusive easement to use and to allow the use of the vehicular parking lots and drive-ways which presently exist, or will be developed hereafter, on the property of the first party as hereinabove described, for the benefit of itself and its invitees and licensees, for the ingress, egress, and parking of motor vehicles, for all proper purposes connected with the operation of retail business establishments by the grantee, its lessees, tenants, or agents; such easement to be on the real property of the grantor, the first party herein, and which is more specifically described hereinabove as the property of the first party.

2. The second party hereby grants unto first party, or its assigns, a non-exclusive easement to use and to allow the use of the vehicular parking lots and drive-ways which presently exist, or will be developed hereafter, on the property of the second party as hereinabove described, for the benefit of itself and its invitees and licensees, for the ingress, egress, and parking of motor vehicles, for all proper purposes connected with the operation of retail business establishments by the grantee, its lessees, tenants, or agents; such easement to be on the real property of the grantor, the second party herein, and which is more specifically described hereinabove as the property of the second party.

3. It is understood and agreed by and between the parties hereto that the easements granted herein are to be held by the respective grantees, their assigns or successors, as appurtenant to the land owned by the said respective grantees.

4. It is further understood and agreed by and between the parties hereto that the first party will care for and maintain, and shall pay for said care and maintenance, the parking lots and drive-ways upon the said property of the first party, and that said second

BOOK 1467 PAGE 418

party will care for and maintain, and shall pay for said care and maintenance, the parking lots and drive-ways upon the said property of the second party.

15. This agreement has been executed in duplicate by the parties hereto, and each party has executed a copy thereof which shall be considered as an original document, and has caused the same to be acknowledged.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

First Party:

ROSELAND VILLAGE, a California Corporation,

By Viggo Paulsen Vice Pres.

Second Party:

CODDING ENTERPRISES, a California Corporation,

By Harold C. Codd, Pres.

RECORDED AT REQUEST OF

AT 54 MIN. PAST 11 AM

Book 1467 Official Records 415  
SONOMA COUNTY, CALIFORNIA

SEP 12 1956

By Harold C. Codd RECORDER  
FEB 23 1957 DEPUTY  
SERIAL NO. 92442



# EXHIBIT

2



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

*Members of the  
Commission*

**Efron Carrillo**  
Chair

**Shirlee Zane**  
Vice Chair

**Valerie Brown**  
**David Rabbitt**  
**Mike McGuire**

**Kathleen H. Kane**  
Executive Director

March 18, 2011

Leslie Q. Hudson  
 Escrow Officer  
 Fidelity National Title Company  
 1309 College Ave. #100  
 Santa Rosa, CA 95404

RE: 665 Sebastopol Rd., Santa Rosa, CA  
 Escrow Number 0490504723

**Escrow Instructions**

Dear Ms. Hudson:

This letter constitutes escrow instructions to you on behalf of the Sonoma County Community Development Commission ("Commission") in connection with the above-referenced escrow. I am authorized to execute these instructions on behalf of the Commission.

Through this escrow, the Sonoma County Community Development Commission, a public body, corporate and politic, will purchase the property located at 665 Sebastopol Road, Santa Rosa, CA, APN 125-111-037-000, commonly known as Roseland Village, from James T. Baugh, Trustee of the Baugh Survivor's Trust (Trust 1) (Seller). The Property is described more particularly in the Fidelity National Title Company (Escrow Holder) preliminary report, dated as of February 7, 2011 (the "Preliminary Report").

The Commission previously submitted into escrow two checks in the amount of \$25,000 and \$3,500,000, for a total of \$3,525,000, to be credited towards the acquisition and closing costs of the Property. Proceeds of Commission's \$3,525,000 are to be used for payment of the purchase price of \$3,490,000 and for the payment of a CLTA Owners policy of title insurance in the amount of \$6,505, escrow fees in the amount of \$3,350, and other escrow expenses as approved by the Commission. All remaining funds from Commission's fund balance not used through this escrow shall be returned to Commission.

**I. DEPOSITS IN ESCROW.**

- A. Funds in the amount of \$3,500,000, previously deposited into escrow on March 16, 2011, copy of receipt enclosed.
- B. Funds in the amount of \$25,000, previously deposited on July 26, 2010, copy of receipt attached.



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



Visit Us on our Website: [www.fntc.com](http://www.fntc.com)



## Fidelity National Title Company

**ISSUING OFFICE:** 3075 Prospect Park Drive, Suite 130 • Rancho Cordova, CA 95670

**FOR SETTLEMENT INQUIRIES, CONTACT:** Fidelity National Title Company • Downtown  
1309 College Ave., Suite 100 • Santa Rosa, CA 95404  
707 541-0300 • FAX 707 541-7300

### PRELIMINARY REPORT

Amended

Title Officer: Katherine Fat  
Escrow Officer: Leslie Q. Hudson  
Escrow No.: 10-490504723-LQH

Title No.: 10-490504723-C-KF  
Locate No.: CAFNT0949-0949-0005-1490504723

TO: Sonoma County Community Redevelopment Agency  
1440 Guerneville Rd  
Santa Rosa, CA 95406

ATTN: Bob Branson

**PROPERTY ADDRESS:** 665 Sebastopol Rd, Santa Rosa, California

**EFFECTIVE DATE:** February 7, 2011, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

ALTA Owner's Policy (6/17/06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:  
  
A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:  
  
James T. Baugh, Trustee of the Baugh Survivor's Trust (Trust 1)
3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:  
  
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

AB\AB 04/19/2010

ITEMS: (continued)

Title No. 10-490504723-C-KF  
Locate No. CAFNT0949-0949-0005-0490504723

8. **Matters** contained in that certain document entitled "Grant of Reciprocal Easements" dated September 12, 1956, executed by Roseland Village, a California corporation recorded September 12, 1956, Instrument No. E-92442, Book 1467, Page 415, of Official Records, which document, among other things, contains or provides for: parking and driveway.

Reference is hereby made to said document for full particulars.

9. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: City of Santa Rosa  
Purpose: Public utilities  
Recorded: May 8, 1958, Instrument No. F-41435, Book 1588, Page 390, of Official Records  
Affects: As described therein

10. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company  
Purpose: Underground gas main or pipeline  
Recorded: July 30, 1958, Instrument No. F-48201, Book 1606, Page 10, of Official Records  
Affects: 10 feet in width, as described therein

11. **Intentionally Deleted**

12. **The fact** that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment  
Agency: Roseland Redevelopment Project  
Recorded: November 29, 1984, Instrument No. 84-79109, of Official Records

Amended by instrument recorded January 27, 2000 under 2000-8311, Sonoma County Records.

13. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Gas and Electric Company  
Purpose: Utilities and maintenance  
Recorded: August 3, 2000, Instrument No. 2000-77981, of Official Records  
Affects: 10 feet in width in the Westerly portion of said land

Exception 10  
PTR

MEMORANDUM OF LEASE

(665 Sebastopol Road, Santa Rosa)

Memorandum of Lease, made September 20, 1969

by and between Wilson Baugh Enterprises

"Landlord," and ALPHA BETA ACME MARKETS, INC., "Tenant."

WITNESSETH:

That Landlord owns that certain parcel of real property described in the attached Exhibit A, which parcel Landlord intends to improve as a shopping center.

That Landlord and Tenant have entered into a Lease whereby Tenant has leased from Landlord by Lease dated September 20, 1969 a market building for the operation of a supermarket and other lawful business, for a term of twenty (20) Lease years and including certain options to extend. Said Lease provides in part as follows:

"Landlord covenants and agrees that the portion of the shopping center designated as parking and common areas shall remain as such throughout the term of this Lease, and that except as herein otherwise provided, no building, fence, wall, signs, or other obstructions shall be erected or maintained upon any portion thereof."

"Landlord hereby grants to Tenant for the duration of the term of this Lease a nonexclusive easement, appurtenant to the demised premises, over and upon that portion of the shopping center designated as parking and common areas for the purpose of vehicular ingress and egress, and the parking of the motor vehicles of the customers, patrons, suppliers, and employees of Tenant, its subtenants, and concessionaires. It is understood and agreed that with respect to that portion of the parking and common area included within the demised premises, if any, Landlord hereby reserves a nonexclusive easement for the purpose of vehicular ingress and egress, and the parking of the motor vehicles of the customers, patrons, suppliers, and employees of any other business conducted upon the shopping center."

All other terms and conditions of said Lease are incorporated herein by reference.

WILSON BAUGH ENTERPRISES	ALPHA BETA ACME MARKETS, INC.
<u>Alberta D. Baugh</u> General Partner	By <u>William R. Deakin</u> Vice President
<u>Wilson B. Baugh</u> LANDLORD	By <u>Lyle W. Boyd</u> Secretary TENANT

Recording requested by  
Alpha Beta Acme Markets, Inc.

When recorded, mail to  
RESIDENT COUNSEL  
Alpha Beta Acme Markets, Inc.  
777 South Harbor Boulevard  
La Habra, California 90631

(Signatures must be acknowledged.)

RECORDED AT REQUEST OF Alpha Beta Acme Mkts  
AT 41 MIN. PAST 12 M.  
Official Records of Sonoma County, Calif.  
Hub Baugh COUNTY RECORDER  
Fee \$ 360 Paid Date NOV 8 1969

Exception 7.

PTK

1467 ME 415

#7139

GRANT OF RECIPROCAL EASEMENTS

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W I T N E S S E T H

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Exception 7.

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EX-1467 PAGE 415

#7139

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1. The first party hereby grants unto second party, or its assigns, a non-exclusive easement to use and to allow the use of the vehicular parking lots and drive-ways which presently exist, or will be developed hereafter, on the property of the first party as hereinabove described, for the benefit of itself and its invitees and licensees, for the ingress, egress, and parking of motor vehicles, for all proper purposes connected with the operation of retail business establishments by the grantee, its lessees, tenants, or agents; such easement to be on the real property of the grantor, the first party herein, and which is more specifically described hereinabove as the property of the first party.

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3. It is understood and agreed by and between the parties hereto that the easements granted herein are to be held by the respective grantees, their assigns or successors, as appurtenant to the land owned by the said respective grantees.

4. It is further understood and agreed by and between the parties hereto that the first party will care for and maintain, and shall pay for said care and maintenance, the parking lots and drive-ways upon the said property of the first party, and that said second



STATE OF CALIFORNIA, ) ss.  
County of SONOMA )  
On this 12th day of September, 1956, in the year one thousand nine hundred and fifty-six  
before me, Chas. R. Brown, a Notary Public in and for the County of  
SONOMA, State of California, residing therein, duly commissioned and sworn, personally appeared  
Viggo Paulsen  
known to me to be the Vice President  
of the corporation described in and that executed the within instrument, and also known to me to be  
the person who executed the within instrument on behalf of the corporation therein named, and  
acknowledged to me that such corporation executed the same.  
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the  
County of SONOMA, the day and year in this certificate  
first above written. Chas. R. Brown  
Notary Public in and for the County of SONOMA, State of California.  
Carter's Form No. 28—(Acknowledgment—Corporation). My Commission Expires May 9, 1960  
(C.C. Sec. 119-119.5)

STATE OF CALIFORNIA, ) ss.  
County of SONOMA )  
On this 12th day of September, 1956, in the year one thousand nine hundred and fifty-six  
before me, Chas. R. Brown, a Notary Public in and for the County of  
SONOMA, State of California, residing therein, duly commissioned and sworn, personally appeared  
Hugh B. Coddling  
known to me to be the President  
of the corporation described in and that executed the within instrument, and also known to me to be  
the person who executed the within instrument on behalf of the corporation therein named, and  
acknowledged to me that such corporation executed the same.  
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the  
County of SONOMA, the day and year in this certificate  
first above written. Chas. R. Brown  
Notary Public in and for the County of SONOMA, State of California.  
Carter's Form No. 28—(Acknowledgment—Corporation). My Commission Expires May 9, 1960  
(C.C. Sec. 119-119.5)

# EXHIBIT

3

# **A SUMMARY APPRAISAL REPORT**

of

Roseland Village Shopping Center  
A 90,230 Rentable Square Foot  
Shopping Center  
Situating On A 6.89 Acre Site  
665 Sebastopol Road  
Santa Rosa, CA 95407

## **VALUATION DATE**

February 26, 2010

## **PREPARED FOR**

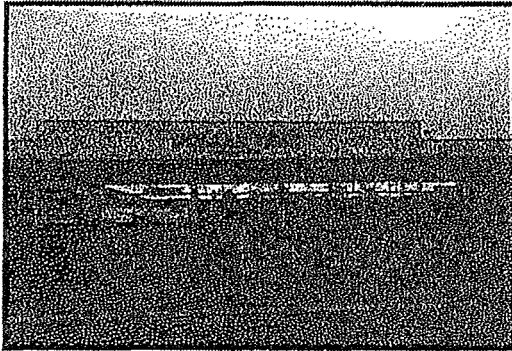
Bob Branson  
Section Supervisor  
Sonoma County Community Development Commission  
1440 Guerneville Road  
Santa Rosa, CA 95403

(707) 565-7901

## **PREPARED BY**

Ryan C. Ward  
Howard R. Levy, MAI  
Howard Levy Appraisal Group, Inc.  
811 Third Street  
Santa Rosa, CA 95404

(707) 575-7778



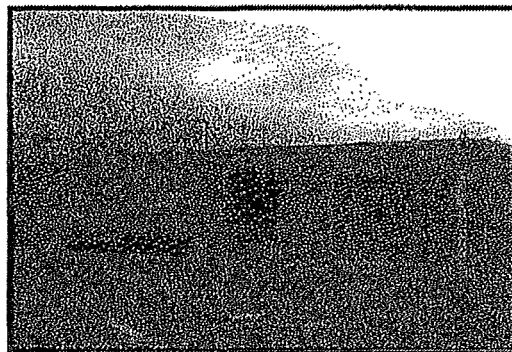
Dollar Tree



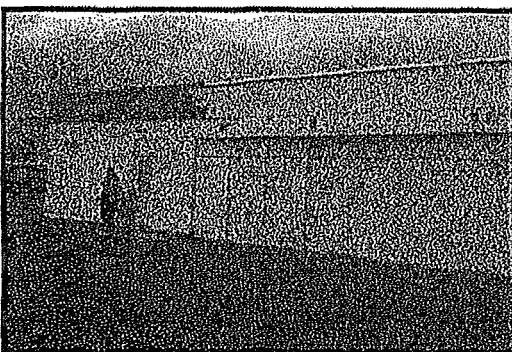
Vacant Albertson's



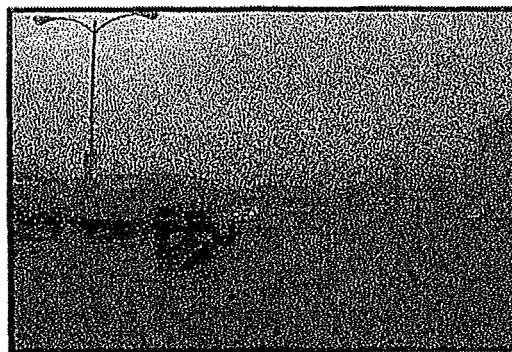
Warehouse Building



Vacant Bowling Alley



Vacant Auto Repair



Parking Area

**Date of Inspection/Valuation**

The date of inspection is February 26, 2010. The date of valuation is February 26, 2010.

**Legal Description**

A complete legal description may be found in the ALTA/ACSM Survey and the Quitclaim Deed, both contained in the Addenda.

**Real Property Tax and Assessment Data**

As a result of the passage of Proposition 13, or the Jarvis Gann initiative in 1978, real property taxes in the State of California are limited to 1% of market value based upon the Assessor's market value estimate for the 1975 base year, unless there is a transfer of ownership, new construction, or the property is leased on a long-term basis. Whenever any of the foregoing occurs, the property is reassessed at full market value. If there is no reassessment, the assessed value is increased at 2% annually. Assessed values in California rarely have any relationship to market value due to the increase limit. Thus, comparison to other similar properties is irrelevant since the assessed values are not based upon current market value.

Proposition 13 limits the annual real property taxes to 1% of the assessed value, plus an amortized amount for voter approved bonded indebtedness. The voter approved bonded indebtedness can take the form of a percentage of value or as a fixed per parcel charge. In addition, special tax assessments which have a finite life are collected with the regular tax roll and represent a supplemental debt to the owner that can be paid off in one lump sum or over time.

The subject property is identified by the Sonoma County Tax Collector/Treasurer's Office as Assessor's Parcel Number 125-111-037, located in Tax Rate Area 150-009, with a 2009/10 tax rate of 1.08100% of assessed value plus \$41,055.58 in direct charges. The subject is not encumbered by any special assessments.

The following tax data for the subject property was provided by the Sonoma County Tax Collector/Treasurer's Office:

**Real Property Taxes**

APN	Assessed Values			Taxes			Special Assessments Payoff
	Land	Improvements	Total	Variable	Direct	Total	
125-111-037	\$ 645,891	\$ 730,109	\$ 1,376,000	\$ 14,875	\$ 41,056	\$ 55,931	\$ -
<b>Total</b>	<b>\$ 645,891</b>	<b>\$ 730,109</b>	<b>\$ 1,376,000</b>	<b>\$ 14,875</b>	<b>\$ 41,056</b>	<b>\$ 55,931</b>	<b>\$ -</b>

Sources: Sonoma County Tax Collector/Treasurer's Office and Howard Levy Appraisal Group, Inc.; February 2010

untouched. The retail building at the back and the auto-repair building at the front have been vacant for some time as well.

The Dollar Tree interior is typical of a retail store with vinyl tile floors, fluorescent lighting and an open interior. The improvements have not been renovated in several years and considering that the lease expires in just over five years it is unlikely that the tenant will make any improvements to the site for the remainder of their lease term.

**Off-Site Improvements:**

The streets surrounding the subject are improved with curbs, gutters, streetlights and sidewalks along the subject frontage.

**Access:**

There is a single curb-cut to the subject property from Sebastopol Road to the subject site. Also, the subject appears to be accessed via easement over the adjacent property to the east, which may also be accessed over the subject site. There is no easement referenced or shown in the survey and it is unclear if either property owner has prescriptive rights.

**Soil Conditions:**

The appraisers are not qualified as soils experts and do not possess the skills to determine if the site is contaminated in any manner which might have a negative impact on the overall value of the subject property. The reader of this report is advised to determine the development potential of the site and ensure that no soil contamination exists prior to making any financial commitments on the subject property. This appraisal assumes that the site can be improved to its highest and best use, and that no contamination exists which would negatively impact the subject property.

**Biotic Resources:**

The appraisers are unaware of any identified biotic resources or wetlands on the subject site, but are not qualified biologists and do not possess the skills necessary to determine if the site is impacted in any manner which might have a negative effect on the overall value of the subject property. The reader of

this report should satisfy himself/herself as to the accuracy of these assumptions before any loan commitments are made.

**Scenic Resources:** None

**Aviation Constraints:** None

**Riparian Corridors:** None

**Archaeological Resources:** None

**Easement Issues:** No

**Easements Description:** ~~The appraisers reviewed the survey provided by the client and found no exceptions to title that would materially impact market value.~~

**Encroachments:** The survey notes several encroachments of the subject buildings onto the adjacent property to the north. No effect is noted, since the highest and best use is for redevelopment of the site.

**Covenants, Conditions and Restrictions:** Unknown

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### Conclusion

The subject is a level, functional site that is served by all public utilities. There are no known adverse conditions likely to negatively impact value and prevent the subject from being developed to its highest and best use.

## Analysis and Conclusion

Economic adjustments are made as follows:

*Real Property Rights Conveyed:* A transaction price is always predicated on the real property interest conveyed. In the case of the comparable sales, all the sales sold as fee simple interests, the appraised subject site interest, and thus, no real property rights adjustments are required.

*Financing Terms:* All of the sales utilized were sold either with all cash to the seller or with seller financing at market rates and thus required no cash equivalency adjustments.

*Conditions of Sale:* Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. When non-market conditions of sale are detected in a transaction, an adjustment may be required. The market for the subject property is active, and there were no unusual market conditions or atypical motivations during the period in which the sales occurred. Site Listing Number 1 is adjusted downward by 20% for its status as a listing.

*Other Sale Adjustments:* Site Sale Number 4 is adjusted upward for toxic issues cited by the buyer. Site Sale Number 7 is adjusted upward for extraordinary off-site costs.

*Market Conditions:* Comparable sales that occurred under different market conditions than those applicable to the subject on the date of value require adjustment for any differences that affect their values.

Market conditions have undergone significant changes over the last few years, and in particular, the last 18 months. The land development market has been hampered by a lack of capital available for development, low loan-to-value ratios for bridge loans and other effects of the turmoil in the credit markets.

The market for retail properties has abruptly changed fortunes as the economy has weakened and consumer consumption patterns have changed in a substantive way. As the recession began negatively affecting retail sales, buyers have become increasingly wary of retail properties. Downward adjustment for market conditions is clearly warranted and is supported by the following data:

- One of the most reliable quantitative methods for deriving a market conditions adjustment is by paired sale analysis. This method compares multiple sales with similar overall characteristics with one factor that is different, in order to extract an adjustment for the factor. The most relevant paired sale consists of two adjacent retail sites located on or near Santa Rosa Avenue just south of downtown. Both sites were purchased by the same buyer, the owner of a Nissan



# EXHIBIT

4







# EXHIBIT

5



























