CONCURRENT MEETING
CITY COUNCIL/CRA/RCFC

Monday, November 15, 2010

4:00 p.m. – Closed Session
5:30 p.m. to 7:00 p.m. – Regular Meeting
7:00 p.m. to 10:00 p.m. – Work Session

AGENDA

Ken Cooley, Mayor

Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Linda Budge, Council Member

Dan Skoglund, Council Member

Regular City Council meeting dates are scheduled on the 1st and 3rd Monday's of each month, unless when Monday is a holiday.
If Monday is a holiday, the meeting will be scheduled for the following Tuesday. Dates are subject to change.

City Council Regular Mtg | CANCELLED MTG | City Council Special Mtg | CANCELLED MTG | CITY HALL CLOSED

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CITY HALL CLOSURE DATES
Fri, Jan 1 – New Years Day Holiday
Mon, Jan 18 – Martin Luther King Jr. Day Holiday
Mon, Feb 15 – Presidents Day Holiday
Fri, Apr 2 - Furlough Day
Fri, May 28 - Furlough Day
Mon, May 31 – Memorial Day Holiday
Mon, Jul 5 – Independence Day Observed
Mon, Jul 26 - Furlough Day
Fri, Sep 3 - Furlough Day
Mon, Sep 6 – Labor Day Holiday
Mon, Oct 11 - Furlough Day
Thu, Nov 11 – Veteran's Day Holiday
Wed, Nov 24 - Furlough
Thu, Nov 25 – Thanksgiving Holiday
Fri, Nov 26 – Day After Thanksgiving Day Holiday
Thu, Dec 23 - Christmas Observed
Fri, Dec 24 - Christmas Observed
Mon, Dec 27 - Furlough Day
Fri, Dec 31 – New Year's Eve Holiday

* Tuesday, November 9 - Special Meeting - Closed Session for City Manager & Department Annual Review & Development

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CITY HALL CLOSURE DATES
Mon, Jan 17 - Martin Luther King Jr. Day Holiday
Fri, Feb 18 - Furlough Day
Mon, Feb 21 - President's Day Holiday
Fri, Mar 11 - Furlough Day
Fri, Apr 22 - Furlough Day
Fri, May 27 - Furlough Day
Mon, May 30 - Memorial Day Holiday
Fri, Jun 17 - Furlough Day
*Mon, Jul 4 - Independence Day Holiday
*Mon, Sep 5 - Labor Day Holiday
*Fri, Nov 11 - Veteran's Day Holiday
*Thu, Nov 24 - Thanksging Holiday
*Fri, Nov 25 – Day After Thanksgiving Day Holida
*Thu, Dec 22 - Christmas Observed
*Fri, Dec 23 - Christmas Observed
*Fri, Dec 30 - Day Before New Year's Eve Holiday

*Dates Pending Approval

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CITY HALL CLOSURE DATES
*Mon, Jan 16 - Martin Luther King Jr. Day Holiday
*Mon, Feb 20 - President's Day Holiday
*Mon, May 28 - Memorial Day Holiday
*Wed, Jul 4 - Independence Day Holiday
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*Mon, Dec 31 - New Year's Eve Holiday

*Dates Pending Approval

Mining
- maintenance of wtr.
- mitigation $ to Co.

marijuana tax
- dec lawsuits file
- 600/@ wtr
- if we table it, no one harmed
- and no one has standing to sue

Rancho Cordova
All-America City
2010

CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, November 15, 2010

4:00 P.M. – Closed Session
Community Board Room

AGENDA

A. CLOSED SESSION – CALL TO ORDER

Council Members Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

B. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any unagendized item.

C. CLOSED SESSION ITEM

Council will meet in Closed Session to discuss the following items: Tracy Goulart

Conference with Legal Counsel – Anticipated Litigation Government Code 54956.9 (b) (two potential cases).

Public Employee Performance Evaluation, City Manager - Government Code Section 54957, Continued from November 9, 2010.

D. ADJOURNMENT OF CLOSED SESSION

CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/ RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, November 15, 2010

5:30 P.M. to 7:00 P.M. – Regular Meeting
David B. Roberts Council Chambers

AGENDA

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Council Members Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

4. INVOCATION

Mark Shetler, First Covenant Church, will give the invocation.

5. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in Closed Session.

6. PRESENTATIONS

6.1 Recognition of Council Member David Sander's Birthday on November 25, 2010.

7. PUBLIC COMMENT

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a (blue) Speaker Card to the City Clerk. **For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard.** Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

National Recycle Day

8. COUNCIL REPORTS

turkey give aways

9. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

100 Food Locker
100 Elks
120 Kiwanis
320
(120) various Feat

9.1 **Subject:** Meeting Minutes:
a) Regular Meeting Minutes of November 1, 2010; and
b) Closed Session Meeting Minutes of November 9, 2010.
Recommendation: Adopt Minutes.

9.2 **Subject:** Quarterly Treasurer's Report
Recommendation: Receive and file report.
Result of Recommended Action: This report provides Council with information concerning the City's investment portfolio. This report will meet requirements as provided by state law.
Staff Report: Donna Silva, Finance Department
Advances Goal: 10

9.3 **Subject:** Resolution Awarding Construction Contracts and Granting Authority to the City Manager to Approve Change Orders in an Amount not to Exceed Ten Percent (10%) of the Aggregate Amount of all the Contracts for the New Rancho Cordova Police Station
Recommendation: Adopt Resolution No. 130-2010.
Result of Recommended Action: Adoption of this resolution would authorize the City Manager, or his designee, to execute construction contracts to various Trade Contractors and authority to approve contract change orders in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts for the new Rancho Cordova Police Station.

Bids are expected to be received on November 12, 2010 and are not available to include in this staff report. In order to expedite the award of contracts, staff will provide City Council with the results of the lowest bidders prior to the November 15, 2010 City Council meeting.
Staff Report: Cyrus Abhar, Public Works Department
Advances Goals: 1, 4, and 6

9.4 **Subject:** Community Redevelopment Agency Resolution Authorizing the Executive Director to Terminate the Existing Owner Participation Agreement (OPA) with Urban Housing Communities for the Development of Crossings @ New Rancho
Recommendation: Adopt Agency Resolution No. CRA-10-2010.
Result of Recommended Action: The OPA will be replaced by the City Loan Agreement that will continue to direct the development of the Crossings @ New Rancho
Staff Report: Reed Flory, Housing Administration
Advances Goals: 1, 6, 7, and 8
GROWING STRONG NEIGHBORHOODS
COUNCIL ACTING AS COMMUNITY REDEVELOPMENT AGENCY

9.5 **Subject:** Resolution Authorizing the City Manager to Execute a Loan Agreement that Directs the use of Neighborhood Stabilization Program Grant Funds in an Amount not to Exceed $4,621,180, and Interim Bridge Loan Financing in an Amount not to Exceed $3,800,000 as Loans to UHC 00516 RANCHO Cordova L.P for the Development of the Crossings @ New Rancho
Recommendation: Adopt Resolution No. 131-2010.
Result of Recommended Action: Adoption of this resolution will allow the City Loan Agreement to replace the rescinded Owner Participation Agreement and will provide the financing needed to complete the development of the Crossings @ New Rancho development.
Staff Report: Reed Flory, Housing Administration
Advances Goals: 1, 6, 7 and 8
GROWING STRONG NEIGHBORHOODS

9.6 **Subject:** Resolutions Authorizing the City Manager to Execute Contracts Associated with the Folsom Boulevard Streetscape Enhancement Project with DeSilva Gates Construction for Construction Services in an Amount of $8,995,555, and with Salaber Associates, Inc. for Construction Management Services in an Amount of $743,000
Recommendation: That Council
a) Adopt Resolution No. 132-2010 with DeSilva Gates Construction; and
b) Adopt Resolution No. 133-2010 with Salaber Associates, Inc.
Result of Recommended Action: Adoption of these resolutions will authorize the City Manager to execute two contracts associated with the Folsom Boulevard Streetscape Enhancement Project. Construction Contract No. 152-2010 with DeSilva Gates Construction in the amount from $8,995,555 and Construction Management Contract No. 153-2010 with Salaber Associates, Inc. in the amount of $743,000. Work will be performed on Folsom Blvd. between Mather Field Road and Kilgore Road.
Staff Report: Cyrus Abhar, Public Works Department
Advances Goals: 1 and 2

Concern

$10 will sidewalks Fed $ & grants personalized design

10. CONSENT PUBLIC HEARING ITEMS – ROLL CALL VOTE

10.1 **Subject:** Ordinances Adopting Local Building Codes
Recommendation: Waive second readings and adopt the following ordinances **(Roll Call Vote)**:

1. Ordinance No. 22-2010; and
2. Ordinance No. 23-2010; and
3. Ordinance No. 24-2010; and
4. Ordinance No. 25-2010; and
5. Ordinance No. 26-2010; and
6. Ordinance No. 27-2010; and
7. Ordinance No. 28-2010; and
8. Ordinance No. 29-2010; and
9. Ordinance No. 30-2010; and
10. Ordinance No. 31-2010.

Result of Recommended Action: The recommended actions will result in the City's building codes being updated to current industry best practices and to coincide with new codes mandated by the state of California.
Staff Report: Cyrus Abhar and Elizabeth Sparkman, Public Works Department
Advances Goals: 1, 4, 6, 7, and 8
GROWING STRONG NEIGHBORHOODS

10.2 **Subject:** Resolution Approving the Abandonment of a 10 Foot Planting Easement Parallel to and Adjacent to Highway 50 on Lot 42 of Bradshaw Woods Unit No. 4 Located on Residential Property at 3128 Hogarth Drive
Recommendation: Adopt Resolution No. 129-2010.
Result of Recommended Action: Adoption of this resolution will remove the 10 foot Planting Easement shown on the map of Bradshaw Woods Unit No. 4 and recorded in Book 128 of Maps, at Page 8 to allow the resident to pull a building permit.
Staff Report: Cyrus Abhar, Public Works Department
Advances Goal: 2

10.3 **Subject:** First Amended Development Agreement by and between the City of Rancho Cordova and Elliot Homes relative to the Rio Del Oro Project (RC-04-052)
Recommendation: Waive first reading and introduce Ordinance No. 33-2010 **(Roll Call Vote)**
Result of Recommended Action: The amendment would result in the City entering into the Development Agreement with Elliott Homes as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities, Elliott Whiterock, LLC and Stonecreek Industrial, LLC, rather than the City entering into the Development Agreement with Elliott Homes as owner of the subject property. There are no other proposed amendments or changes to the Development Agreement of the other approvals for the Rio del Oro project.
Staff Report: Adam U. Lindgren, City Attorney's Office
Advances Goals: 1, 2, 4, 7, 8, and 9

11. PUBLIC HEARING ITEMS

11.1 **Subject:** Application for Conditional Use Permit and Letter of Public Convenience & Necessity, Project No. DD7021, for the Target Store Located at 10881 Olson Drive
Recommendation: Adopt Resolution No. 117-2010 denying the applicant's request for a Conditional Use Permit and Letter of Public Convenience and Necessity, based on the findings contained in the resolution.
Result of Recommended Action: The applicant is requesting a Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) to allow the off-sale of distilled spirits, in addition to the currently permitted off-sale of beer and wine. Denying this request will allow Target to continue to sell beer and wine under their existing license, but they will not be permitted to sell distilled spirits.
Staff Report: Shannan Loveless, Planning Department
Advances Goals: 1 and 6

12. REGULAR CALENDAR ITEMS

NONE.

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

14. CITY MANAGER'S REPORT

15. ADJOURNMENT OF REGULAR MEETING

BREAK

Council will break for celebratory refreshments in honor of Council Member Sander's Birthday prior to convening the study session.

CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/ RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, November 15, 2010

7:00 P.M. to 10:00 P.M. – Work Session
David B. Roberts Council Chambers

AGENDA

A. WORK SESSION – CALL TO ORDER / ROLL CALL

Council Members Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

B. PUBLIC COMMENT

At a study session or special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any unagendized item.

C. WORK SESSION ITEM

Subject: Review of Public Improvement Costs Controlled by the City
Recommendation: Discuss and provide comments and direction as appropriate.
Result of Recommended Action: City staff has been engaged in discussion with private sector development partners to explore ways to reduce the costs imposed upon developers. This work session will highlight efforts to date, identify potential approaches for addressing requests to lower development costs, and offer the Council an opportunity to provide direction on how questions of quality of public improvements and the cost of development should be addressed.
Staff Report: Joe Chinn, Assistant City Manager
Advances Goals: 1, 2, 4, 6, 7, 8, 11, and 13

D. ADJOURNMENT OF STUDY SESSION

ADDITIONAL INFORMATION

Rancho Cordova Great Health Challenge - Rancho Cordova has launched a program intended to promote a healthier community by building awareness for those who live, work, play, or pray here. You are encouraged to join our commitment to get healthy, stay fit, and have fun! Go to http://www.20tonsin2010.com/ to register.

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11 P.M. WILL BE CONTINUED TO THE NEXT DAY AT 5:30 P.M. OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

CITYWIDE GOALS - (Adopted March 20, 2006)	
1.	Foster a Positive Image of Rancho Cordova
2.	Improve Transportation & Connectivity
3.	Champion Employee Development & High Performance Work Environment
4.	Ensure the Availability of the Best Public Services in the Region
5.	Establish a Vibrant Downtown
6.	Ensure a Safe Community
7.	Improve the Quality of Housing In Rancho Cordova
8.	Sustain a Livable Community
9.	Drive Diverse Economic Opportunities
10.	Foster Responsible Citizenship
11.	Practice Sound Fiscal Management
12.	Establish Logical (City) Boundaries
13.	Continue To Provide Regional Leadership

UPCOMING MEETINGS	
Wednesday, November 24, 2010	***FURLOUGH DAY – City Hall Closed***
Thursday, November 25, 2010	***THANKSGIVING HOLIDAY – City Hall Closed***
Friday, November 26, 2010	***THANKSGIVING HOLIDAY – City Hall Closed***
Monday, December 6, 2010	*4:00 p.m. Study Session on Strong Neighborhoods* *5:30 p.m. Regular Meeting*
Tuesday, December 7, 2010	*5:30 p.m. Work Session on Land Use Discussion / Mix of Residential and Nonresidential East of Sunrise*
Monday, December 20, 2010	*5:30 p.m. Regular Meeting*
Thursday, December 23, 2010	***CHRISTMAS HOLIDAY – City Hall Closed***
Friday, December 24, 2010	***CHRISTMAS HOLIDAY – City Hall Closed***
Monday, December 27, 2010	***FURLOUGH DAY – City Hall Closed***
Friday, December 31, 2010	***NEW YEAR'S EVE – City Hall Closed***

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building Department	(916) 851-8760
City Attorney's Office	(916) 556-1531
City Clerk's Department	(916) 851-8720
City Manager's Office	(916) 851-8800
Communications Department	(916) 851-8791
Economic Development Department	(916) 851-8780
Finance Department	(916) 851-8730
Housing Department	(916) 851-8784
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Park District)	(916) 362-1841
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9600
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 859-4300

The Rancho Cordova City Council/CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the November 15, 2010 Regular and Special Meeting of the Rancho Cordova City Council/CRA/RCFC was posted and available for review on Wednesday, November 10, 2010 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city web site at www.cityofranchocordova.org.

Signed this 10th day of November, 2010 at Rancho Cordova, California.

Mindy Cuppy

Mindy Cuppy, CMC, City Clerk

CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, November 1, 2010

5:30 P.M. – Regular Meeting
David B. Roberts Council Chambers

MINUTES

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Mayor Cooley called the regular meeting to order in the David B. Roberts Council Chambers at 5:41 p.m.

Council Members Present: Budge, Sander, Skoglund, McGarvey, and Mayor Cooley

Staff Members Present: Gaebler, Lindgren, Cuppy, Diamond, Junker, Abhar, Silva, Snyder, Samuelson, Holt, Simpson, Bane, Gassaway, Haven, Chinn, and Pearl

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Mayor announced the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor called on Joshua Shelton to lead the Pledge.

4. INVOCATION

Deacon Walt Little, St. John Vianney Church, gave the invocation.

5. PRESENTATIONS

5.1 Chief of Police Doug Diamond presented Lifesaving Awards to Life Guards Julia Gifford, Kaylin Kemper, and Natalie Belous, and helper Chanel Willhite for near drowning.

5.2 Public Works Director Cyrus Abhar and Streets Operations & Maintenance Manager John Samuelson presented trash grabbers, gloves, and All-America City shirts to Rancho Learning Center Special Education Teacher Patricia Leonard "Miss Tricia", and nine students from various Rancho Cordova schools for helping to Improve the community through trash pickup along city streets. Mayor Cooley also presented proclamations to Miss Tricia and the students.

6. PUBLIC COMMENT

Mayor Cooley opened the public comment period. The following individuals addressed the Council:

- Joy Moon regarding excellent service from America's Tire Company

Mayor Cooley closed the public comment period.

7. COUNCIL REPORTS

Council Members reported on events since the last meeting.

8. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

ACTION: Motion by Budge second by Skoglund and carried by a 5:0 roll call vote; Council approved the Consent Calendar.

8.1 **Subject:** Special and Regular Meeting Minutes of October 18, 2010.
Recommendation: Adopt Minutes.

8.2 **Subject:** Ordinance Amending Sections 16.83 and 16.84 of the City Municipal Code Extending the Temporary Deferral for Payments of Certain Development Impact Fees for an Additional Three Year Term, from July 1, 2010 to June 30, 2013
Recommendation: Waive second reading and adopt Ordinance No. 32-2010 **(Roll Call Vote)**
Result of Recommended Action: Adoption of this ordinance will extend the Development Impact Fee Deferral Program, established in May of 2008, and extended in April 2009, for three additional years, to June 30, 2013. Developers will benefit significantly from the program, as it will reduce their cash outlay at the time of building permit issuance.
Staff Report: Donna Silva, Finance Department

8.3 **Subject:** Resolution Appointing Kristin Dilallo-Sherrill and City Staff Steve Harriman as Representatives to the Sacramento Cities/County Solid Waste Advisory Committee
Recommendation: Adopt Resolution No. 122-2010.
Result of Recommended Action: Adoption of this resolution will appoint Mr. Steve Harriman and Ms. Kristin DiLallo-Sherrill as City representatives to Sacramento Cities/County Solid Waste Advisory Committee (SWAC) through December 2013, as well as ensure compliance with the local task force requirement of the California Integrated Waste Management Act (AB 939).
Staff Report: Cyrus Abhar, Public Works Department

8.4 **Subject:** Resolutions Authorizing the City Manager to Execute Contract Change Orders with DeSilva Gates Construction and Fifth Contract Amendment with Wood Rodgers for the International Drive Extension Project
Recommendation: That Council:
a) Adopt Resolution No. 123-2010 for DeSilva Gates Construction; and
b) Adopt Resolution No. 124-2010 for Wood Rodgers; and
Result of Recommended Action: Adoption of these resolutions will authorize the City Manager to execute the contract change orders and amendment for contracts associated with the International Drive Extension project. Contract Change Orders (Construction Contract No. 117-2009) with DeSilva Gates Construction will increase the current contract amount from $7,915,485 to $8,160,485. Contract Amendment No. 141-2010 for engineering services with Wood Rodgers will increase the current Contract No. 87-2009 amount from $1,023,380 to $1,065,580.
Staff Report: Cyrus Abhar, Public Works Department

8.5 **Subject:** Resolution Authorizing the City Manager to Execute Contract Change Order Nos. 1 and 2 with Martin General Engineering for Construction of the Rossmoor Drive/Zinfandel Drive Street Maintenance Project in an Approximate Combined Amount of $53,137
Recommendation: Adopt Resolution No. 126-2010.
Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute contract Change Order Nos. 1 and 2 with Martin General Engineering (Contract No. 38-2010), to increase the current contract amount from $900,405 to $956,542 for the construction of the Rossmoor Drive/Zinfandel Drive Street Maintenance Project. The contract time is increased by 8 days.
Staff Report: Cyrus Abhar, Public Works Department

8.6 **Subject:** Resolution Authorizing the City Manager to Execute First Contract Amendment, to Include an Amount Not to Exceed $12,500 in Reimbursable Expenses for Fees Associated with Demolition Permits, and Contract Change Order No. 2 to Construction Services Agreement No. 6-2010 with Double B Demolition, Inc. in an Amount not to Exceed $5,000 for the New Rancho Affordable Housing Redevelopment Project
Recommendation: Adopt Resolution 127-2010
Result of Recommended Action: Adoption of this resolution will authorize the City Manager to Execute First Contract Amendment and Contract Change Order No. 2 with Double B Demolition, Inc. These actions will amend the existing Construction Services Agreement, No. 6-2010, to include up to $12,500 in reimbursable expenses for fees associated with demolition and hazardous waste abatement permits and to change the contract cost and scope to include $5,000 for work outside of the originally intended scope of work. These actions will increase the original contract amount to $189,015.15 plus up to $12,500 for reimbursable expenses.
Staff Report: David Gassaway, Housing Administration

8.7 **Subject:** Resolution Approving Participation in the Ratification of Sacramento County's New Operational Area Agreement for Emergency Response
Recommendation: Adopt Resolution No. 128-2010.
Result of Recommended Action: Adoption of this resolution would allow the City to be included in the New Operational Area Agreement for Emergency Response currently undergoing revision by the County of Sacramento. The City would become a partner agency responsible for coordinating emergency activities, and serve as a link in the system of communications and coordination between the state's emergency operations centers and the operation centers of the political subdivisions comprising our operational area.
Staff Report: Laurel Bane, Facilities Department

9. CONSENT PUBLIC HEARING ITEMS

NONE

10. PUBLIC HEARING ITEMS

NONE

11. REGULAR CALENDAR ITEMS

11.1 **Subject:** Legislative Update
Recommendation: Staff will update Council on recent legislation that is of interest to, or has an impact on, public agencies.
Result of Recommended Action: Council will receive a brief report on recent legislation.
Staff Report: Troy Holt, City Manager's Office

ACTION: Discussion item only; no action taken.

11.2 **Subject:** City Gateway Sign Design Concepts
Recommendation: That Council directs staff and the consultant team to further refine the proposed gateway sign designs and prepare construction documents for the funded Folsom Boulevard signs.
Result of Recommended Action: Final direction from Council will allow staff and the consultant team to prepare construction documents that may result in the construction of the first gateway sign as early as Fall 2011.
Staff Report: Paul Junker, Planning Department

Mayor Cooley opened the public comment period. The following individuals addressed the Council:

- Dori Elsenhour on suggested design concepts

Mayor Cooley closed the public comment period.

ACTION: Motion by Budge second by Skoglund and carried by a 5:0 vote; Council received report, provided direction, and continued the item to the December 6, 2010 Regular Council meeting.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

NONE

13. CITY MANAGER'S REPORT

City Manager Ted Gaebler reported on the following:

- Thanked Public Works Director Cyrus Abhar who acted as Acting City Manager on October 18
- Addressing Russian speaking community at a meeting in Rancho Cordova at the Annual Best of the Best meeting
- Announced the process is beginning to determine the Rancho Cordova Chamber of Commerce board member terms
- Announcement that 8400 sq. ft. of space available for lease at City Hall
- Reminder that November 2 is voting day and to get out and vote

City Attorney Adam Lindgren reported on the following:

- The statue of limitations has expired on the approval of Rio del Oro Tier 1 for challenge and will bring back a minor correction to the Development Agreement to next regular meeting
- A court trial involving litigation between the City and Lily Company ended with the anticipation of a favorable decision

Neighborhood Services Manager Kerry Simpson reported on Department Updates for the Neighborhood Services Department: Code Enforcement and Animal Services Divisions.

14. ADJOURNMENT

Mayor Cooley adjourned the closed session at 8:27 p.m.

_____
Mindy Cuppy, CMC, City Clerk

Rancho Cordova
All-America City
2010

CITY COUNCIL SPECIAL MEETING

City Hall
Titan Conference Room
2729 Prospect Park Drive, Rancho Cordova

Tuesday, November 9, 2010

5:30 p.m. – Closed Session

AGENDA

1. CLOSED SESSION – CALL TO ORDER/ROLL CALL

Mayor Cooley called the closed session to order in the Coloma Room at 5:30 p.m.

Council Members Present: Budge, McGarvey, Sander, and Skoglund

Council Members Absent: Cooley

Staff Present: Gaebler, Lindgren, and Leitner

2. PUBLIC COMMENT

NONE

3. CLOSED SESSION

Council will meet in Closed Session, in accordance with Government Code Section 54957, to discuss the following: Review & Development of City Manager & Departments.

4. OPEN SESSION – REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that this item will be continued to November 15, 2010 at 4:00 p.m.

5. ADJOURNMENT

Mayor Cooley adjourned the closed session at 1:15 a.m.

_____
Mindy Cuppy, CMC, City Clerk

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and Council Members

FROM: Donna Silva, Finance Director

SUBJECT: **TREASURER'S REPORT – September 30, 2010**

RECOMMENDATION

This report is informational only. It is recommended that the report be received and filed.

RESULT OF RECOMMENDED ACTION

This report is intended to provide the City Council with information concerning the City's investment portfolio. This report will meet requirements as provided by State law.

BACKGROUND

Attached is the quarterly Treasurer's report for the period ending September 30, 2010. Treasurer's reports are provided to Council on a quarterly basis.

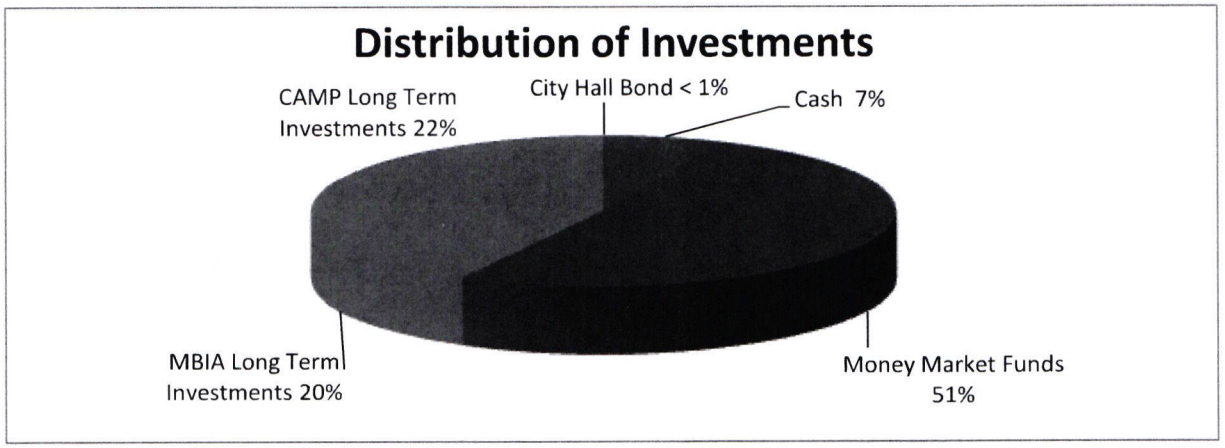
At June 30, 2010, the current value of the City's total portfolio was $94 million. Since that time, the balances have decreased by $4 million with an ending balance of $90 million at September 30, 2010. Of that, the General Fund Cash and Investments balance was $18 million. Cash and short-term investments decreased by $3 million while long-term investments decreased by $1 million. The overall portfolio is well diversified with $30 million invested in long-term investments. $46 million is invested in short-term investments that are considered liquid (CAMP and LAIF). The remainder consists of $6 million on deposit with our banks and $5,834 is invested in a City of Rancho Cordova City Hall bond. Staff, in conjunction with our Financial Advisors, periodically reviews the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and our short-term cash needs. At September 30, 2010, interest rates at LAIF decreased from their June 2010 amount of .6% to .5% and CAMP had increased from their June 2010 amount of .24% to .27%.

The decrease in cash and investment balances, as noted in the above paragraph, is typical for this time of the year. We received our final 09/10 property tax distribution in July. Cash is expected to decline over the next three months until our next property tax installment is received in January 2011.

Staff thoroughly reviews investment statements and makes appropriate inquiries of CAMP, LAIF, and MBIA, as necessary, to confirm the existence and viability of the City's assets. The City invests conservatively in S & P rated AAA securities and U.S. Treasury Notes. The long-

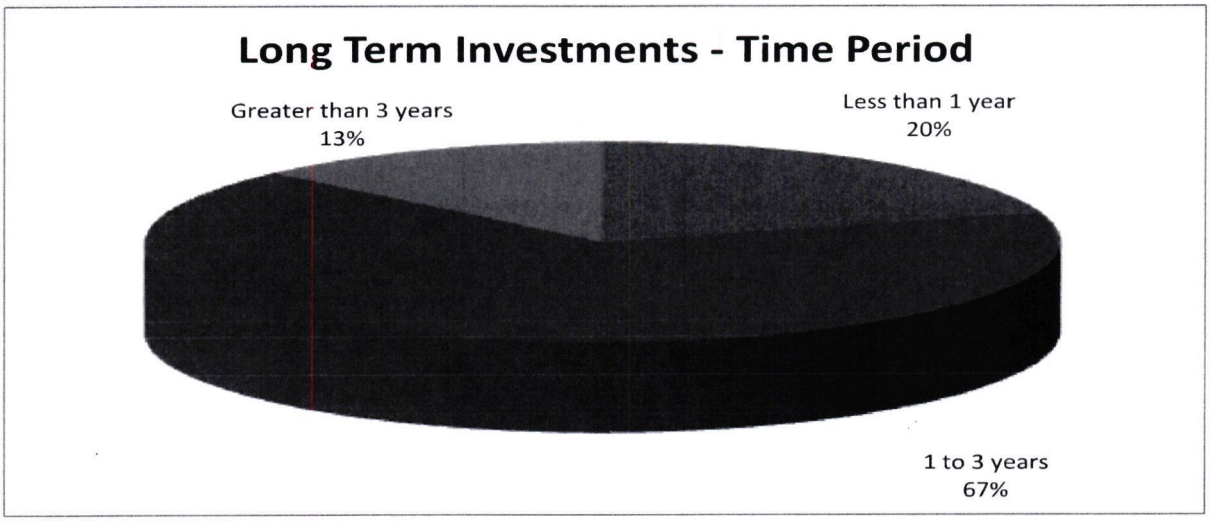
term assets are in securities that can be held to maturity, thus are less vulnerable to the fluctuations of the market.

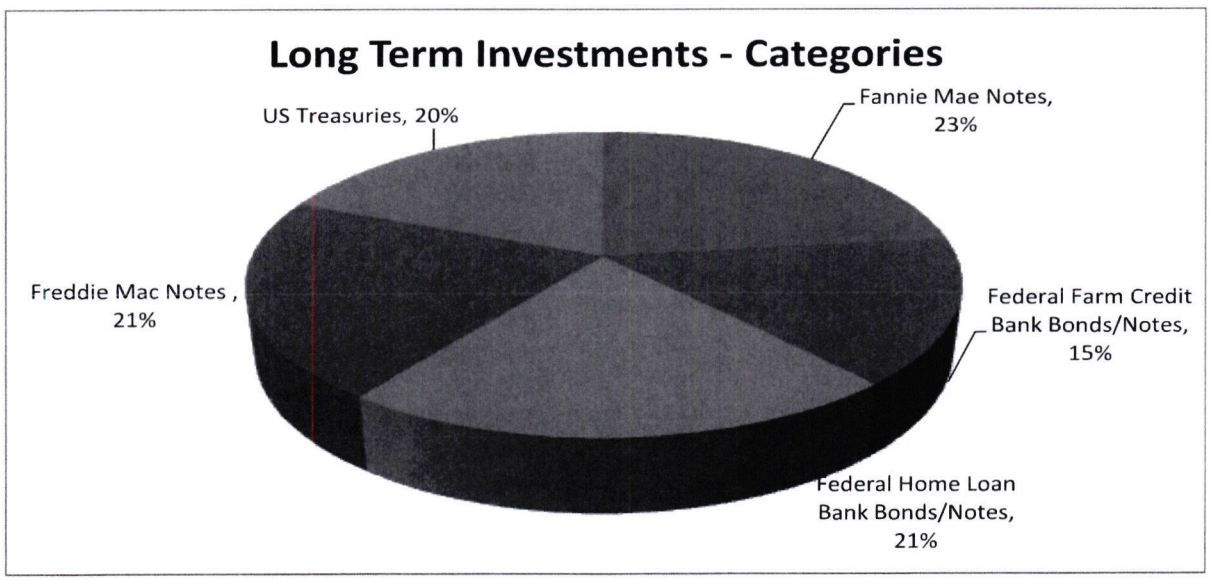
The distributions of investments are displayed in the following chart:



Analysis of the long-term investments:

	Par Value	Current Value	Percent of L-T Investments
Less than 1-year	$ 7,660,000	$ 7,755,848	20.43%
1 to 3 years	24,920,000	25,351,861	66.79%
Greater than 3-years	4,740,000	4,853,033	12.78%
	$ 37,320,000	$ 37,960,742	100.00%





ATTACHMENT

Treasurer's Report for September 30, 2010

CITY OF RANCHO CORDOVA, CA
TREASURER'S REPORT
SEPTEMBER 30, 2010

	Par Value	Cost	Current Value	Maturity Date
Cash and Cash Equivalents				
Wells Fargo Bank	6,048,252	6,048,252	6,048,252	n.a.
Bank of Sacramento	28,859	28,859	28,859	
	6,077,111	6,077,111	6,077,111	
Money Market Funds				
Wells Fargo Adv Treasury Plus MMF (MBIA)	130,284	130,284	130,284	n.a.
Sub-total	130,284	130,284	130,284	
Money Market Funds				
Local Agency Investment Fund (LAIF)	19,015,975	19,015,975	19,015,975	n.a.
California Asset Management Program (CAMP)	27,225,811	27,225,811	27,225,811	n.a.
Sub-total	46,241,786	46,241,786	46,241,786	
Long-Term Investments - Cutwater/MBIA:				
Federal Home Loan Bank Note	750,000	748,973	756,519	12/10/2010
Federal Farm Credit Bank Note	1,000,000	1,008,290	1,009,768	1/18/2011
Federal Farm Credit Bank Note	500,000	515,930	508,867	2/18/20
Fannie Mae Note	750,000	752,738	769,951	4/15/20
Federal Home Loan Bank Note	725,000	721,927	728,960	6/3/2011
U.S. Treasury Note	1,000,000	996,172	1,006,055	7/31/2011
U.S. Treasury Note	750,000	749,648	753,779	11/30/2011
Federal Farm Credit Bank Note	750,000	742,650	785,686	12/8/2011
Federal Home Loan Bank Note	750,000	748,515	755,628	12/28/2011
U.S. Treasury Note	1,000,000	998,359	1,007,620	2/29/2012
Federal Farm Credit Bank Note	500,000	493,925	533,396	4/12/2012
Federal Home Loan Bank Note	1,000,000	1,012,300	1,012,639	8/10/2012
Federal Home Loan Bank Note	1,000,000	1,000,000	1,000,532	10/5/2012
Federal Farm Credit Bank Note	500,000	496,420	539,217	10/17/2012
Federal Farm Credit Bank Note	500,000	502,945	500,679	11/5/2012
Fannie Mae Note	1,000,000	1,000,030	1,002,896	12/28/2012
Fannie Mae Note	1,000,000	1,002,790	1,003,895	1/28/2013
Fannie Mae Note	500,000	499,375	500,796	2/11/2013
Freddie Mac Note	750,000	750,000	751,322	3/7/2013
Federal Home Loan Bank Note	1,000,000	1,004,330	1,008,554	7/12/2013
Fannie Mae Note	750,000	750,000	751,450	9/30/2013
Federal Farm Credit Bank Note	500,000	497,895	514,068	6/2/2014
Freddie Mac Note	750,000	750,000	752,033	9/24/2015
Sub-total	17,725,000	17,743,212	17,954,310	

CITY OF RANCHO CORDOVA, CA
TREASURER'S REPORT
SEPTEMBER 30, 2010

	Par Value	Original Cost	Current Value	Maturity Date
Long-Term Investments -CAMP:				
U.S. Treasury Note	350,000	353,746	350,533	10/15/2010
U.S. Treasury Notes	1,085,000	1,087,585	1,086,780	12/31/2010
Fannie Mae Global Benchmark Notes	500,000	501,246	513,301	4/15/2011
Federal Home Loan Bank Bonds	500,000	503,310	505,270	7/27/2011
U.S. Treasury Notes	500,000	502,500	519,844	8/31/2011
U.S. Treasury Notes	750,000	748,945	753,779	11/30/2011
Federal Home Loan Notes	1,000,000	999,790	1,002,843	1/9/2012
Federal Farm Credit Bank Bonds	1,025,000	1,024,980	1,052,444	4/24/2012
Freddie Mac Global Notes	505,000	507,232	515,865	6/15/2012
Fannie Mae Global Notes	100,000	99,966	101,286	6/22/2012
Fannie Mae Global Notes	460,000	459,480	465,917	6/22/2012
Fannie Mae Global Notes	25,000	25,046	25,322	6/22/2012
Freddie Mac Global Notes	1,250,000	1,250,313	1,264,498	7/27/2012
Federal Farm Credit Bank Bonds	350,000	358,171	379,799	8/1/2012
Federal Home Loan Bank Global Bonds	825,000	823,862	843,811	8/22/2012
Freddie Mac Notes	1,100,000	1,107,128	1,109,990	8/28/2012
Federal Home Loan Bank Global Bonds	500,000	541,650	541,418	10/10/2012
Fannie Mae Global Notes	715,000	713,970	733,195	2/22/2013
Freddie Mac Global Notes	1,575,000	1,572,795	1,610,705	4/15/2013
U.S. Treasury Notes	600,000	621,797	646,125	6/30/2013
Freddie Mac Notes (Callable)	1,500,000	1,500,000	1,503,429	7/26/2013
Fannie Mae Notes (Callable)	890,000	893,115	893,346	7/29/2010
Fannie Mae Notes (Callable)	500,000	500,000	501,367	12/16/2013
U.S. Treasury Notes	485,000	484,867	500,763	3/31/2014
Fannie Mae Notes (Callable)	1,000,000	1,000,000	1,004,592	8/26/2014
U.S. Treasury Notes	500,000	489,863	522,578	11/30/2014
Freddie Mac Global Notes	500,000	500,090	532,299	2/9/2015
Fannie Mae Notes	500,000	516,130	519,499	7/28/2015
Sub-total	19,590,000	19,687,576	20,000,598	
Long-Term Investments - Brandis Tallman LLC				
City Hall COP Bond	5,000	5,000	5,834	2/1/2035
Total Portfolio	**$ 89,769,181**	**$ 89,884,970**	**$ 90,409,923**	

AGENDA ITEM 9.2

AGENDA ITEM 9.3
SR SUPPLEMENTAL 1

MEMORANDUM

DATE: November 15, 2010

TO: Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director

SUBJECT: **A RESOLUTION AWARDING 17 CONSTRUCTION CONTRACTS FOR TENANT IMPROVEMENTS TO THE NEW RANCHO CORDOVA POLICE STATION AND GRANTING AUTHORITY TO THE CITY MANAGER TO APPROVE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED TEN PERCENT (10%) OF THE AGGREGATE AMOUNT OF ALL THE CONTRACTS**

RECOMMENDATION

Adopt Resolution No. 130-2010.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution would award 17 construction contracts to the lowest responsive bidders for Sitework and paving, masonry, structural steel, Architectural Woodwork, rough carpentry, doors/frames/Hardware, Metal Stud Framing, Drywall, Plumbing/HVAC, and Electrical/Fire Alarm services, roofing, and other miscellaneous construction work for the new Rancho Cordova Police Station located at 2897 Kilgore Road and 2880 Gold Tailings, and would also grant authority to the City Manager to approve changes orders in an amount not to exceed ten percent of the aggregate amount of all of the contracts. Bid proposals for the remaining work on the new Rancho Cordova Police Station are still be evaluated by staff and will be presented at the December 6, 2010 City Council meeting with a staff recommendations as to how to proceed.

BACKGROUND

On October 25, 2010, the tenant improvements for the Rancho Cordova Police Station located at 2897 Kilgore Road and 2880 Gold Tailings ("Project") were advertised on the City website and plans were made available to contractors. The project was subsequently advertised in the Grapevine on October 30, 2010 and on November 5, 2010. Bids for the Project were publicly opened and read on Friday, November 12, 2010.

In order to keep the Project's timeline, staff drafted a staff report regarding the Project and bid process, and placed this item on the agenda prior to receiving bids. This staff report and attached resolution, supplemental Agenda Item 9.3, includes bid results and staff recommendations.

The Project was broken down into 31 construction categories with bids solicited independently for each. A total of 88 bids were received for all the categories and staff examined all bid proposals and determined which bids are the lowest responsible bids for the contracts in accordance with Public Contracts Code Section 20162. A **Bid Summary Sheet** listing the lowest responsive bidders who will be awarded construction contracts is attached as **Exhibit A** to Resolution No. 130-2010.

Staff is continuing to evaluate the remaining bid proposals for the Project and will return at the December 6, 2010 City Council meeting with a recommendation to award contracts or to reject bids for these remaining items of work.

As discussed in the staff report included in the agenda packet, in addition to awarding contracts for improvements to the new police station, Resolution 30-2010 would also grant the City Manager the authority to approve change orders for the contracts in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is approximately 3.3 million dollars. Staff recommends that the City Manager be given this authority in order to expedite the change order process so that improvements to the police station can be made in a timely fashion.

Rancho Cordova Municipal Code Section 2.04.110(b) states in pertinent part that "unless otherwise directed by the City Council, the City Manager shall have authority to approve and execute payment of all warrants of $100,000 or less drawn upon the city treasury without presentation to the City Council." This section prohibits the City Manager from approving and executing warrants in excess of $100,000, unless the City Council grants additional authority to the City Manager to approve warrants in excess of $100,000. This may occur through specifying a maximum additional amount over $100,000 that the City Manager may approve warrants for. In this case, Staff is requesting that the City Manager be granted the authority to approve change orders for the contracts in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is approximately 3.3 million dollars. Staff is requesting that this authority be given to the City Manager in Resolution 30-2010.

FISCAL IMPACT

After searching for all possible funding sources there is a shortfall of approximately $250,000. We have built in a contingency and there is a possibility that the project scope may be reduced. Therefore, there is a slight chance that total project costs will be lower and the shortfall will be eliminated or reduced. Also, with the increased revenues from the UUT, and the first year of the annexation, it is likely that there will be additional general fund revenues available to fund this shortfall. While it is possible that the shortfall may be funded from current year general fund revenues, there is a moderate chance that at the conclusion of the project, there may be a need to use General Fund Reserves for all, or a portion of this $250,000 shortfall. Staff will monitor and plan for this expense and will do their best to cover the shortfall with current year revenues.

ATTACHMENT

Resolution No. 130-2010 including Exhibit A – Bid Summary Sheet

CITY OF RANCHO CORDOVA

RESOLUTION NO. 130-2010

A RESOLUTION OF THE CITY COUNCIL AWARDING CONSTRUCTION CONTRACTS FOR TENANT IMPROVEMENTS TO THE NEW RANCHO CORDOVA POLICE STATION LOCATED AT 2897 KILGORE ROAD AND 2880 GOLD TAILINGS DRIVE AND GRANTING AUTHORITY TO THE CITY MANAGER TO APPROVE CONTRACT CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE AGGREGATE AMOUNT OF ALL THE CONTRACTS FOR THE NEW RANCHO CORDOVA POLICE STATION

WHEREAS, bids for tenant improvements to the new Rancho Cordova Police Station located at 2897 Kilgore Road and 2880 Gold Tailings Drive ("Project") were solicited to the Sacramento County, El Dorado County and Placer County Builders Exchange beginning October 26, 2010. The project was also advertised in the Grapevine Independent on October 29, 2010 and November 5, 2010; and

WHEREAS, bids for the Project were publicly opened and read on November 12, 2010 at 2729 Prospect Park Dr., Rancho Cordova 95670; and

WHEREAS, the City recommends awarding 17 of construction contracts for the Project to the lowest responsive bidders as further described on the **Bid Summary Sheet** attached hereto as **Exhibit A**; and

WHEREAS, it is possible that change orders for the Project will exceed the maximum amount that the City Manager has the authorization to approve, unless additional authority to approve amounts in excess of $100,000 is granted to the City Manager pursuant to Section 2.04.110(b) of the Rancho Cordova Municipal Code Section; and

WHEREAS, the City Council wishes to grant authority to the City Manager to approve contract change orders in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is currently 3.3 million dollars.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA that the City Council awards construction contracts to the lowest responsive bidders for tenant improvements for the new Rancho Cordova Police Station located at 2897 Kilgore Road and 2880 Gold Tailings as further described in Exhibit A, and grants authority to the City Manager to approve change orders for the contracts in an amount not to exceed ten percent of the aggregate amount for all the contracts.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 15th day of November, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, City Clerk

Exhibit A

Rancho Cordova Police Department (CP10-2090)
Rancho Cordova City Hall
2729 Prospect Park Drive, Rancho Cordova, CA 95670
15-Nov-10

	Contractor	Base Bid Amount	
Bid Package 2 - Sitework / Paving / Utilities			
	Wayne Reedy Construction	***$186,550.00***	***Lowest responsive bidder***
	Bobo Construction, Inc.	$263,000.00	
	Freddi's Grading & Paving	$246,430.00	
	Mark III Construction, Inc.	$252,400.00	
	Biondi Paving, Inc.	$247,100.00	
	Western Engineering Contractors, Inc	$231,492.00	
Bid Package 5 - Site Concrete			
	Mark III Construction, Inc.	$178,400.00	
	Biondi Paving and Engineering	$188,600.00	
	CVC Construction	$219,311.00	
	Roebbelen Contracting, Inc.	***$117,977.00***	***Lowest responsive bidder***
	R and B Builders	$176,380.00	
	American River Construction, Inc.	$154,000.00	
	R & R Maher Construction Co., Inc.	$158,100.00	
	Bobo Construction, Inc.	$158,000.00	
Bid Package 6 - Masonry			
	PTS Masonary, Inc.	$18,785.00	
	Bobo Construction, Inc.	$24,000.00	
	Townsend and Schmidt Masonry	***$17,510.00***	***Lowest responsive bidder***
Bid Package 7 - Structural / Misc. Steel			
	Lancaster Burns Construction, Inc.	$146,073.00	
	Armour Steel Co., Inc.	$41,900.00	
	Bobo Construction, Inc.	***$35,240.00***	***Lowest responsive bidder***
Bid Package 8 - Architectural Woodwork			
	Bobo Construction, Inc	***$64,800.00***	***Lowest responsive bidder***
Bid Package 10 - Rough Carpentry			
	American River Construction, Inc.	$121,700.00	
	Roebbelen Contracting, Inc.	$89,969.00	
	Bobo Construction, Inc.	***$76,000.00***	***Lowest responsive bidder***

Bid Package 11 - Roofing			
	Showtime Roofing & Remodeling	$87,390.00	
	Bobo Construction, Inc.	***$61,000.00***	***Lowest responsive bidder***
	California Single Ply, Inc.	$109,350.00	
	Kodiak Union Roofing Services	$71,756.00	
Bid Package 12 - Doors / Frames / Hardware			
	American River Construction, Inc.	$136,000.00	
	Roebbelen Contracting, Inc.	$177,777.00	
	Bobo Construction, Inc.	$168,000.00	
	Discovery Door, Inc.	***$96,809.00***	***Lowest responsive bidder***
Bid Package 14 - Metal Stud Framing / Drywall			
	Lancaster Burns Construction, Inc.	$340,469.00	
	Tuttle Interior Systems, Inc.	$307,855.00	
	G.H. Gibson Enterprises, Inc.	***$282,000.00***	***Lowest responsive bidder***
	Performance Contracting, Inc.	$297,300.00	
	Bobo Construction, Inc.	$397,000.00	
Bid Package 15 - Ceramic Tile			
	Sane Alexander Custom Tile & Stone	$57,895.00	
	Bobo Construction, Inc.	***$51,000.00***	***Lowest responsive bidder***
Bid Package 16 - Acoustical Ceilings			
	Golden State Acoustical, Inc.	***$84,537.00***	***Lowest responsive bidder***
	TA Smith Interior Systems	$107,449.00	
	Performance Contracting, Inc.	$110,600.00	
	Bobo Construction, Inc.	$104,000.00	
Bid Package 17 - Carpet / Resilient / Epoxy Flooring			
	CDI Commercial Flooring, Inc.	$191,390.00	
	Dynamic Commercial Flooring Systems,	$144,888.00	
	B.T. Mancini Co., Inc.	***$143,880.00***	***Lowest responsive bidder***
	Bobo Construction, Inc.	$168,000.00	
Bid Package 18 - Painting / Wall Covering			
	Valdez Painting	***$51,077.00***	***Lowest responsive bidder***
	TSV Painting, Inc.	$85,400.00	
	Bobo Construction Inc.	$136,000.00	
	John Hackett Painting, Inc.	$74,665.00	

Bid Package 25 - Fire Protection			
	Mark III Construction Inc.	***$49,769.00***	**Lowest responsive bidder**
	Bobo Construction, Inc.	$88,000.00	
	Cen-Cal Fire System, Inc.	$69,390.00	
	Marquee Fire Protection	$53,000.00	
	Cosco Fire	$58,880.00	
Bid Package 26 - Plumbing & HVAC			
	Mark III Construction Inc.	***$1,059,000.00***	***Lowest responsive bidder***
	Bobo Construction, Inc.	$1,346,000.00	
	ACCO Engineered Systems	$1,149,500.00	
	Luppen & Hawley, Inc.	$1,140,000.00	
	Lawson Mechanical Contractors	$1,319,900.00	
	Intech Mechanical	$1,393,500.00	
	Perryman Mechanical Inc.	$1,548,000.00	
Bid Package 27 - Electrical and Fire Alarm			
	Rampart Enterprises, Inc.	$609,127.00	
	Luppen & Hawley, Inc.	$540,000.00	
	Bobo Construction, Inc.	$768,000.00	
	Collins Electrical Company, Inc.	$579,102.00	
	United Building Contractors, Inc.	$543,000.00	
	Bosley Electric Company	$524,438.00	
	Vasko Engineering Inc.	***$499,750.00***	***Lowest responsive bidder***
Bid Package 28 - Elevator			
	Bobo Construction, Inc.	$68,480.00	
	Otis Elevator Company	***$2,680.00***	***Lowest responsive bidder***

Staff needs additional time to evaluate the following bids. These bid packages will be evaluated and presented on the December 6th Council meeting.

Bid Package 1 - Surveying

Bid Package 3 - Site Fencing

Bid Package 4 - Landscape / Irrigation (Future Bid Package)

Bid Package 9 - Building Insulation

Bid Package 13 - Glass and Glazing

Bid Package 19 - Fiberglass Reinforced Plastic (FRP)

Bid Package 20 - Signage (Future Bid Package)

Bid Package 21 - Toilet Accessories & Partitions

Bid Package 22 - Fire Extinguishers & Cabinets

Bid Package 23 - Flag Poles

Bid Package 24 - Window Coverings

Bid Package 29 - Projection Screens

Bid Package 30 - Unit Appliances

Bid Package 31 - Dry Marker Boards

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director

SUBJECT: **A RESOLUTION AWARDING CONSTRUCTION CONTRACTS AND GRANTING AUTHORITY TO THE CITY MANAGER TO APPROVE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED TEN PERCENT (10%) OF THE AGGREGATE AMOUNT OF ALL THE CONTRACTS FOR THE NEW RANCHO CORDOVA POLICE STATION**

RECOMMENDATION

Adopt Resolution No. 130-2010.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution would award construction contracts for tenant improvements to the new Rancho Cordova Police Station located at 2897 Kilgore Road and 2880 Gold Tailings Drive and grant authority to the City Manager to approve contract change orders in an amount not to exceed 10% of the aggregate amount of all the contracts for the new Rancho Cordova Police Station.

Bids are expected to be received on November 12 and are not available to include in this staff report. In order to expedite the award of contracts, staff will provide City Council with the results of the lowest bidders prior to the November 15 City Council meeting.

BACKGROUND

The City's plan is to relocate its police station from the current location at Rockingham Drive to city-owned buildings at 2897 Kilgore Road and 2880 Gold Tailings Drive. The current lease for the Rockingham Station has been extended to a month-to-month lease that is set to expire June 30, 2011.

In June 2010, City Council authorized staff to proceed with the architectural design and preparation of construction contract documents. City Council also supported the concept of relocating Code Enforcement and Animal Services from the Rancho Cordova Neighborhood Center to the city owned building on Gold Tailings Drive.

On Friday morning, November 12, 2010, at 10:00 a.m., bids for tenant improvements to the new Rancho Cordova Police Station will be publicly opened and read. Immediately after the public opening of the bids, staff will examine the bid proposals and determine which bids are the lowest responsible bids for the contracts in accordance with public contracts code section 20162.

A supplemental staff report will be submitted to the City Council Monday morning on November 15, 2010, which will detail staff's recommendations for each contract. The supplemental staff report will state which bids for each contract are the lowest, whether staff recommends that the City Council award any or all of the contracts to the lowest bidder, or whether staff recommends that the Council take another action for a particular contract, such as to reject all bids and re-advertise the work for the contract in accordance with the provisions of public contracts code section 20162 et seq.

Attached to this staff report is a template of the resolution that staff will recommend for adoption by the City Council at the November 15th council meeting relating to award of the contracts for the improvements to the new Rancho Cordova police station. A finalized resolution containing staff's recommendations for award of individual contracts will accompany the supplemental staff report. Copies of these documents will be available at the council meeting.

In addition to awarding contracts for improvements to the new police station, Resolution 130-2010 would also grant the City Manager the authority to approve change orders for the contracts in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is currently 5.7 million dollars. A final total figure for the aggregate amount of all the contracts awarded will be included in the finalized resolution. Staff recommends that the City Manager be given this authority in order to expedite the change order process so that improvements to the police station can be made in a timely fashion.

Rancho Cordova municipal code section 2.04.110(b) states in pertinent part that "unless otherwise directed by the City Council, the City Manager shall have authority to approve and execute payment of all warrants of $100,000 or less drawn upon the city treasury without presentation to the City Council." This section prohibits the City Manager from approving and executing warrants in excess of $100,000, unless the City Council grants additional authority to the City Manager to approve warrants in excess of $100,000. This may occur through specifying a maximum additional amount over $100,000 that the City Manager may approve warrants for. In this case, Staff is requesting that the City Manager be granted the authority to approve change orders for the contracts in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is currently 5.7 million dollars. Staff is requesting that this authority be given to the City Manager in accordance with Resolution No. 130-2010.

FISCAL IMPACT

The total cost of the proposed police building is currently estimated around $5,700,000. This estimate includes the cost of tenant and site improvements to Kilgore and Gold Tailings buildings. It also includes all support costs including engineering and architectural expenses. The City currently has $5.2 million available from a variety of sources including the remaining bond proceeds from a certificate of participation bond issued for the Kilgore site, capital facility fees, the capital facility internal service fund, and an EECBG grant. If costs exceed the $5.2 million currently available, the additional expenses may be covered from a variety of funding sources including existing general fund balances. Another option may be to adjust the project scope and reduce project costs.

A detailed funding plan which will identify allocation of funds to this project by source will be prepared when the actual bid results are received. This information will be included in the supplemental staff report and will be presented to the City Council prior to the approval of the construction contract.

ATTACHMENT

Resolution No. 130-2010

CITY OF RANCHO CORDOVA

RESOLUTION NO. 130-2010

A RESOLUTION OF THE CITY COUNCIL AWARDING CONSTRUCTION CONTRACTS FOR TENANT IMPROVEMENTS TO THE NEW RANCHO CORDOVA POLICE STATION LOCATED AT 2897 KILGORE ROAD AND 2880 GOLD TAILINGS DRIVE AND GRANT AUTHORITY TO THE CITY MANAGER TO APPROVE CONTRACT CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE AGGREGATE AMOUNT OF ALL THE CONTRACTS FOR THE NEW RANCHO CORDOVA POLICE STATION

WHEREAS, bids were solicited to the Sacramento County, El Dorado County and Placer County Builders Exchange beginning October 26, 2010. The project was also advertised in the Grapevine Independent on October 29 and November 5, 2010; and

WHEREAS, the bids will be publicly opened on November 12, 2010 at 2729 Prospect Park Dr., Rancho Cordova 95670; and

WHEREAS, the City recommends awarding construction contracts to the lowest responsive bidders for tenant improvements to the new Rancho Cordova Police Station Project; and

WHEREAS, those services will exceed the maximum amount that the City Manager has the authorization to approve; and

WHEREAS, the City Council grants authority to the City Manager to approve change orders for the contracts in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is currently 5.7 million dollars.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA that the City Council awards construction contracts to various Trade Contractors for tenant improvements for the new Ranch Cordova Police Station and grants authority to the City Manager to approve change orders for the contracts in an amount not to exceed ten percent of the aggregate amount for all the contracts.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ___ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

Community Redevelopment Agency

OF THE CITY OF RANCHO CORDOVA

MEMORANDUM

DATE: November 15, 2010

TO: Agency Director and Members

FROM: Reed Flory, Housing Services Administrator

SUBJECT: **TERMINATION OF THE EXISTING OWNER PARTICIPATION AGREEMENT (OPA) WITH URBAN HOUSING COMMUNITIES FOR THE DEVELOPMENT OF CROSSINGS @ NEW RANCHO**

RECOMMENDATION

Adopt Agency Resolution No. CRA-10-2010.

RESULT OF RECOMMENDED ACTION

Owner Participation Agreement will be replaced by a City Loan Agreement which will continue to direct the development of the Crossings @ New Rancho development.

BACKGROUND

In March of 2010 the Community Redevelopment Agency passed Resolution No. CRA-4-2010 **(Attachment 1)** Approving an Owner Participation Agreement (OPA) and Affordable Housing (AH) Agreement between Urban Housing Communities (UHC) and the Community Redevelopment Agency. This agreement outlined the respective responsibilities regarding the development of the Crossings @ New Rancho project.

Utilizing Neighborhood Preservation Program (NPS) grant funds and Tax Credit equity, the project now has attained total project financing. Using grant funds, the City of Rancho Cordova has the opportunity to act both as the bridge lender and permanent lender providing UHC with the majority of the funding for the construction of the project. These loans require the creation of a Loan Agreement which together with the recently adopted Regulatory Agreement restates, and clarifies in greater detail the responsibilities for the construction, operation, and maintenance of the development. The Original OPA is now replaced by the referenced documents and requires the requested termination.

ATTACHMENTS

1. CRA-4-2010 Approving OPA and AH Agreement
2. CRA-10-2010 Terminating the OPA and AH agreements

AGENDA ITEM 9.4

ATTACHMENT 1

RESOLUTION NO. CRA 4-2010

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA APPROVING EXECUTION OF AN OWNER PARTICIPATION AGREEMENT AND REGULATORY AGREEMENT WITH UHC 00516 RANCHO CORDOVA, L.P. REGARDING THE DEVELOPMENT OF PROPERTY FOR THE CROSSINGS @ NEW RANCHO

WHEREAS, the Community Redevelopment Agency (**Agency**) of the City of Rancho Cordova (**City**) seeks development of the property (the **Property**) in the City of Rancho Cordova, County of Sacramento, more particularly described in **Exhibit A** to the Owner Participation Agreement **(Exhibit 1)** that is the subject of this Resolution, in accordance with the Redevelopment Plan adopted by the City Council of the City of Rancho Cordova (**City Council**) on July 5, 2006, by Ordinance No. 43-2006 (the **Redevelopment Plan**); and

WHEREAS, the Property is located in the Project Area established pursuant to the Redevelopment Plan; and

WHEREAS, UHC 00516 Rancho Cordova L.P., to acquire a California limited partnership (**Developer**) owns or has the contractual right to acquire the Property, and upon acquisition thereof, desires to develop the Property as a rental residential project that will consist of up to 18 units of housing affordable to households who incomes do not exceed 50% of area median income, adjusted for household size, to be known as The Crossings @ New Rancho (the **Project**); and

WHEREAS, effective as of March 11, 2010, the Planning Commission of the City of Rancho Cordova (**Planning Commission**) approved Design Review for the Project; and

WHEREAS, all necessary environmental review pursuant to the California Environmental Quality Act (**CEQA**) and the National Environmental Protection Act (NEPA) as applicable to the Project have been completed and approved, all necessary notices have been filed, and all statutes of limitation related to environmental review of the Project have expired; and

WHEREAS, Developer qualifies as an "owner participant" as that term is defined in the Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) and in the Owner Participation Rules adopted by the Agency in connection with the Redevelopment Plan; and

WHEREAS, pursuant to the Redevelopment Plan, the Agency has authority to enter into agreements with the owners of real property located within the Project Area in order to provide for the development of such property in conformity with the Redevelopment Plan; and

WHEREAS, construction of the Project will assist in the elimination of blight in the Project Area, provide affordable housing opportunities, and improve the economic and physical conditions in the Project Area in accordance with the purposes and goals of the Redevelopment Plan; and

WHEREAS, the Developer and Agency staff have negotiated the terms of (i) an Owner Participation Agreement which provides for the City's obligation of up to $4,524,933 in funds from the U.S. Department of Housing and Urban Development Neighborhood Stabilization

Program (**NSP**) for development of the Project in accordance with the Project approvals and the Redevelopment Plan and (ii) a Regulatory Agreement for the development which provides that for not less than 55 years up to 18 rental residential units in the Project shall remain available for rental at an affordable cost to households whose income does not exceed 50% of area median income, adjusted for household size.

NOW THEREFORE, BE IT RESOLVED by the Community Redevelopment Agency of the City of Rancho Cordova:

1. The Agency finds that development of the Project is consistent with the Redevelopment Plan and the Implementation Plan adopted in connection therewith.

2. The Agency further finds that execution of the Owner Participation Agreement and the Regulatory Agreement further the goals of the Redevelopment Plan and will be in the best interests of the Agency and the City of Rancho Cordova by providing for development of underutilized property within the Project Area and by providing for construction of affordable housing.

3. The Agency hereby authorizes and directs the Executive Director of the Agency to execute the Owner Participation Agreement and the Regulatory Agreement substantially in the form presented to the Agency Board and on file with the Agency Secretary, with such modifications as may be approved by the Executive Director in consultation with Agency Counsel.

4. The Agency hereby authorizes the Executive Director of the Agency, or his designee, to execute such additional documents and to undertake such further actions as are reasonably necessary to carry out the intent of this resolution, the Owner Participation Agreement, and the Regulatory Agreement.

PASSED AND ADOPTED by the Board Members of the Community Redevelopment Agency of the City of Rancho Cordova on the 23rd day of March, 2010 by the following vote:

AYES: Skoglund, Budge, Sander, McGarvey, and Mayor Cooley

NOES: None

ABSENT: None

ABSTAIN: None

Ken Cooley, Agency Chair

ATTEST:

Mindy Cuppy, Agency Secretary

ATTACHMENT 2

RESOLUTION NO. CRA 10-2010

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA

APPROVING EXECUTION OF A TERMINATION OF OWNER PARTICIPATION AGREEMENT WITH UHC 00516 RANCHO CORDOVA, L.P. REGARDING THE DEVELOPMENT OF PROPERTY FOR THE CROSSINGS AT NEW RANCHO

WHEREAS, the Community Redevelopment Agency of the City of Rancho Cordova (the "Agency") and UHC 00516 Rancho Cordova, L.P., a California limited partnership (the "Developer") entered into that certain Owner Participation Agreement dated as of March 23, 2010 (the "OPA"), providing for the development by Developer of up to eighteen (18) units of multi-family affordable residential housing (the "Project") on that certain real property (the "Property") in the City, as more particularly described in **Exhibit A** thereto; and

WHEREAS, at the time of such execution the Agency contemplated assisting with the financing of the Project; and

WHEREAS, the City of Rancho Cordova (the "City") now intends to provide bridge construction financing and permanent financing for the Project, pursuant to a Loan Agreement ("City Loan Agreement") to be entered into between City and Developer substantially concurrently herewith; and

WHEREAS, the Agency has not provided, is not providing and will not provide any financing for the Project; and

WHEREAS, the City Loan Agreement, in addition to addressing the financial assistance to be provided by the City, sets forth the terms and conditions for development of the Project on the Property; and

WHEREAS, the Agency and the Developer therefore desire to terminate the OPA.

NOW THEREFORE, BE IT RESOLVED by the Community Redevelopment Agency of the City of Rancho Cordova:

1. The Agency hereby approves the Termination of Owner Participation Agreement and authorizes and directs the Executive Director or his designee to execute the Termination of Owner Participation Agreement substantially in the form on file with the Agency Secretary, with such modifications as may be approved by the Executive Director in consultation with Agency Counsel.

2. The Agency hereby authorizes the Executive Director of the Agency, or his designee, to execute such additional documents and to take such further actions as are reasonably necessary to carry out the intent of this resolution and the Termination of Owner Participation Agreement.

PASSED AND ADOPTED by the Board Members of the Community Redevelopment Agency of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Agency Chair

ATTEST:

_____
Mindy Cuppy, CMC, Agency Secretary

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator

SUBJECT: **AMENDMENTS TO LOAN AGREEMENT WITH UHC 00516 RANCHO CORDOVA, L.P.**

RECOMMENDATION

Staff recommends adoption of proposed Amendments.

RESULT OF RECOMMENDED ACTION

Corrections will be made to the existing language in both the Loan Agreement and the Bridge Loan Note to reflect language necessary to assure the IRS that the loan in question is not simply a grant nor is it to be funded from tax exempt bond proceeds.

BACKGROUND

The text in both the Loan Agreement and the Bridge Loan Note in Agenda item # 9.5 to be considered this evening must be amended to satisfy certain provisions of the IRS Code related to the form of the Bridge Loan. Specific language is proposed to amend Section 4.1.1 of the Loan Agreement and Section 1.1 of the Bridge Loan Note to conform to requirements of the IRS. This loan cannot be considered as a forgivable obligation and must not originate from tax exempt proceeds. The amendment language as suggested satisfies these requirements.

Additionally, a minor correction to the Staff report is noted. The Staff Report states that action on the Loan Agreement is required in order for the developer "... to issue a Notice to Proceed to its general contractor by November 5, 2010." In fact the November date was extended by formal action of the California Tax Credit Allocation Committee to the date of December 6, 2010.

ATTACHMENTS

Amendment language

Loan Agreement
AMENDMENT

4.1.1 Bridge Loan Interest Rate, Maturity Date, Origination Fee. The principal balance of the Bridge Note outstanding from time to time shall bear interest at the rate of three and one quarter percent (3.25%) plus current London Inter Bank Offered Rate (**"LIBOR"**) of seventy seven one hundredths of one percent (.77%) for a total interest rate, to be fixed for life of construction, at four and two tenths of one percent (4.02%) per annum compounded daily, at a rate of one three hundred and sixty fifth of the annual rate (4.02% divided by 365), commencing upon the date of disbursement. Notwithstanding anything to the contrary herein, the total amount of interest accrued pursuant to the Bridge Note shall not exceed Eighty Thousand Dollars ($80,000) , the amount budgeted for such expense in the Financing Plan, unless there are construction cost savings available pursuant to Section 3.3.1 to pay any interest accrued pursuant to the Bridge Note in excess of such figure.. Periodic payments on the Bridge Note shall be due and payable on a quarterly basis as NSP Grant Proceeds are made available by HCD and/or Net Investor Equity is contributed pursuant to Developer's agreement of limited partnership (the "**Partnership Agreement**"). As used herein, the term "Net Investor Equity" shall mean any equity contributed to Developer by its limited partners pursuant to the Partnership Agreement which Developer does not use to (i) fund construction of the Project in accordance with this Agreement, (ii) pay any portion of the developer fee payable in accordance with the Financing Plan, or (iii) fund any reserves required under the City Documents or the Partnership Agreement. Net Investor Equity shall not include any equity contributed by Developer's limited partners to the extent that the Partnership Agreement provides that such equity be placed into a blocked account or reserved for uses other than payments on the Bridge Note. The entire outstanding principal balance of the Bridge Note together with accrued interest shall be due and payable on the later of (i) the date upon which HCD makes the final disbursement of NSP Grant Proceeds available to City, or (ii) the date upon which the final equity contribution is made to the Developer by Developer's limited partners pursuant to the Partnership Agreement; provided, however, that in no event shall such payment by Developer of the Bridge Note outstanding principal balance and accrued interest be made more than eighteen (18) months from City's issuance of the Notice of Completion or equivalent notice for the Project (the "**Outside Maturity Date**"), except that if the failure to provide NSP Grant Proceeds to Developer is attributable to HCD or the City, and not to any nonperformance of or noncompliance with Developer's obligations hereunder, then, notwithstanding anything to the contrary contained herein, any portion of the Bridge Loan outstyanding as of the Outside Maturity Date shall be deemed an advance of NSP Grant Proceeds under the Permanent Loan which has been used to repay the Bridge Loan and will be repaid in accordance with the Permanent Note.. City shall charge an origination fee for the Bridge Loan equal to fixed sum of Forty Thousand Dollars ($40,000), which sum shall be payable at closing for the Bridge Loan from tax credit investor equity. NSP Grant Proceeds shall automatically convert to Permanent Loan financing pursuant to the terms and conditions specified herein and in the Permanent Note, attached hereto as Exhibit F. No portion of the Bridge Loan will be funded or subsidized, in whole or in part, directly or indirectly, using the proceeds of any obligation, the interest on which is exempt under Section 103 of the Code.

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Deleted: City shall be responsible for making such Bridge Loan repayment to its General Fund from other non-General Fund sources.

Bridge Loan Note (Exhibit E-1)

AMENDMENT

1. PAYMENTS

1.1 PAYMENT DATES; MATURITY DATE. Periodic payments on this Note shall be due and payable on a quarterly basis as NSP Grant Proceeds are disbursed by the State Department of Housing and Community Development ("HCD") and/or Net Investor Equity (as defined in the Loan Agreement) is contributed pursuant to Borrower's agreement of limited partnership. In no event shall any amount due under this Note become subject to any rights of offset, deduction or counterclaim on the part of Borrower. The entire outstanding principal balance of the Bridge Note together with accrued interest shall be due and payable on the later of (i) the date upon which HCD makes the final disbursement of NSP Grant Proceeds available to City, or (ii) the date upon which the final equity contribution is made to the Developer by Developer's limited partners pursuant to the Partnership Agreement; provided, however, that in no event shall such payment by Developer of the Bridge Note outstanding principal balance and accrued interest be made more than eighteen (18) months from City's issuance of the Notice of Completion or equivalent notice for the Project (the "Outside Maturity Date"), except that if the failure to provide NSP Grant Proceeds to Developer is attributable to HCD or the City, and not to any nonperformance of or noncompliance with Developer's obligations hereunder, then, notwithstanding anything to the contrary contained herein, any portion of the Bridge Loan outstanding as of the Outside Maturity Date shall be deemed an advance of NSP Grant Proceeds under the Permanent Loan which has been used to repay the Bridge Loan and will be repaid in accordance with the Permanent Note.

Deleted: City shall be responsible for making such Bridge Loan repayment to its General Fund from other non-General Fund sources.

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator

SUBJECT: **RESOLUTION APPROVING THE MAKING OF LOANS AND AUTHORIZING THE CITY MANAGER TO EXECUTE A LOAN AGREEMENT WITH UHC 00516 RANCHO CORDOVA, L.P. AND TAKE RELATED ACTIONS FOR THE CROSSINGS @ NEW RANCHO RESIDENTIAL RENTAL PROJECT**

RECOMMENDATION

Adopt Resolution No. 131-2010.

RESULT OF RECOMMENDED ACTION

Upon adoption of the attached resolution, the City Council will approve two loans and will authorize the City Manager to execute a Loan Agreement with UHC 00516 Rancho Cordova, L.P., a California limited partnership (the "Developer"), for the development of an affordable residential rental project known as the Crossings @ New Rancho (the "Project"), and to execute such further documents and take such further actions as reasonably necessary.

BACKGROUND

The City has received a grant of $4,621,180 in Neighborhood Stabilization Program 1 funds ("NSP 1 Funds") from the California Department of Housing and Community Development ("HCD"). The NSP 1 Funds will be used to provide a permanent loan to the Developer for the development of 18 residential rental units to be constructed on 4 conjoined parcels, on the corner of Woodberry Way and Croetto Way, known as the Crossings @ New Rancho redevelopment project ("Project"). On October 18, 2010, the City Council and the Community Redevelopment Agency approved the execution of an, Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants ("Regulatory Agreement") that will require 17 of the units to remain affordable to very-low income households for a period not less than 55 years from the City's issuance of a final certificate of occupancy for the Project.

The City has entered into a "Standard Agreement" with HCD for use of the NSP 1 Funds. The only other source of financing for the Project is nine percent federal low income housing tax credits administered by the California Tax Credit Allocation Committee ("TCAC"). In order for Developer to meet TCAC requirements, construction loan documents must be recorded, HCD must have reviewed and approved Project

documents pursuant to the Standard Agreement, and Developer must be able to issue a Notice to Proceed to its general contractor by November 5, 2010.

The NSP1 Funds, a grant paid to the City on a reimbursement basis, and the tax credit equity, investments paid in at certain project completion milestones, will not be immediately available to the project throughout the course of construction. In order to allow for processing of construction draw requests to Developer and Developer's general contractor in a timely manner throughout construction, staff recommends that the City provide a bridge construction loan in the amount of $3,800,000 from the General Fund. The NSP 1 Funds will then be used to take out (reimburse) the City's bridge construction loan on a quarterly basis. By acting as a conventional construction lender, the City will be able to earn a loan origination fee and interest on the bridge loan exactly as a conventional construction lender would charge, but at a modified rate, saving the project money. Proceeds from loan origination and interest can be used broadly, including the funding of administrative costs. As NSP1 Funds payments are made by HCD to take out the City's construction bridge loan, the NSP 1 Funds will automatically convert to a permanent loan to Developer for the Project. Pursuant to HCD requirements for NSP 1 funds, the permanent loan will not bear interest for its 55 year term.

Staff, the Developer, and Developer's limited partners have negotiated a Loan Agreement that requires Developer to execute a Promissory Note and a Deed of Trust in favor of the City for each of the two loans. In addition, Developer will give the City a security interest in all architectural and construction agreements, plans and specifications for the Project, and will afford the City an opportunity to purchase the Project 15 years after the end of the low-income housing tax credits compliance period, pursuant to a Purchase Option and Right of First Refusal Agreement. In addition, Developer has committed to developing buildings which are U.S. Green Building Council L.E.E.D. Gold Certified and to give City the right to use, sell, assign or transfer specified credits resulting from Project's solar photovoltaic generation system.

The Loan Agreement further provides that if Developer and City are unsuccessful in obtaining Project-based rental assistance from Sacramento Housing and Redevelopment Agency ("SHRA"), for public housing tenants in up to five units within the Project, the City will pay, after any capitalized reserve accounts are depleted, the difference between the fair market rent for such units and the amount Developer receives from the tenants plus incremental fees to third parties, if any, incurred up to the limits identified in the Finance Plan for the development.

The Community Redevelopment Agency previously entered into an Owner Participation Agreement ("OPA") with Developer that governed the terms and conditions for the Project, but will not be providing any financing and therefore intends to terminate the OPA. Those terms and conditions have been incorporated in the Loan Agreement.

ATTACHMENT

Resolution No.131-2010 including **(Exhibit A)** Loan Agreement.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 131-2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA APPROVING THE MAKING OF LOANS TO UHC 00516 RANCHO CORDOVA, L.P. FOR DEVELOPMENT OF THE CROSSINGS @ NEW RANCHO AND AUTHORIZING EXECUTION OF A LOAN AGREEMENT AND RELATED DOCUMENTS IN CONNECTION WITH SUCH LOANS

WHEREAS, the City of Rancho Cordova ("City") seeks development of an 18-unit multi-family residential rental project (the "Project") by UHC 00516 Rancho Cordova, L.P., a California limited partnership ("Developer") on property located within the Rancho Cordova Redevelopment Project Area in the City, as more particularly described in **Exhibit A** to the Loan Agreement ("Loan Agreement") that is the subject of this resolution (the "Property"); and

WHEREAS, the Community Redevelopment Agency of the City of Rancho Cordova ("Agency") previously entered into an Owner Participation Agreement ("OPA") with Developer for development of the Project on the Property, but will not be providing financing for the Project and is therefore terminating the OPA substantially concurrently herewith; and

WHEREAS, the City has received a grant of $4,621,180 in Neighborhood Stabilization Program 1 funds ("NSP Grant") from the California Department of Housing and Community Development ("HCD") for the purpose of providing financing for the Project; and

WHEREAS, the City desires to provide bridge construction financing for the Project from the City's General Fund, and to use the NSP Grant to repay to the City such bridge financing as the City advances, with the remainder of the NSP Grant to be used for permanent financing for the Project; and

WHEREAS, the only other source of financing for the Project is nine percent federal low-income housing tax credits from the California Tax Credit Allocation Committee ("TCAC"); and

WHEREAS, City staff and the Developer have negotiated a Loan Agreement that provides for a bridge construction loan from City in the amount up to $3,800,000, to be evidenced by a Promissory Note and secured by a Deed of Trust; and

WHEREAS, pursuant to the Loan Agreement City shall receive a loan origination fee for, and specified interest on, the bridge construction loan; and

WHEREAS, pursuant to the Loan Agreement City shall use the NSP Grant to provide a permanent loan in the amount of up to $4,621,180, to be evidenced by a Promissory Note and secured by a Deed of Trust, which loan shall not bear interest and shall have a term of 55 years in accordance with HCD requirements for the NSP Grant; and

WHEREAS, in addition to providing the terms and conditions of the bridge construction loan and the permanent loan for the Project, the Loan Agreement provides terms and conditions for development of the Project on the Property; and

WHEREAS, the City and the Agency previously approved a Regulatory Agreement for the Project which requires that 17 of the units remain affordable for rent by very low-income households for a period of not less than 55 years from issuance of a final certificate of occupancy; and

WHEREAS, in connection with execution of the Loan Agreement, Developer will be required to enter into a Purchase Option and Right of First Refusal entitling City to purchase the Project on stated terms at the close of the 15-year compliance period for low-income housing tax credits, and to give the City a security interest in architectural agreements, construction contracts, and plans and specifications for the Project; and

WHEREAS, the Project will assist in the elimination of blight and the provision of affordable rental housing in the City.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Rancho hereby:

1. Finds that the making of the bridge construction loan and the permanent loan, and the execution of the Loan Agreement, will be in the best interests of the City of Rancho Cordova by providing for the development of affordable housing and assisting in the elimination of blight within the Project Area.

2. Approves the provision of the loans pursuant to the terms and conditions set forth in the Loan Agreement and the exhibits thereto.

3. Approves the Loan Agreement, the Notes, Deeds of Trust, and all other agreements attached as exhibits to the Loan Agreement and directs the City Manager or his designee to execute each such document to which the City is a party, substantially in the forms on file with the City Clerk, with such modifications as may be approved by the City Manager in consultation with the City Attorney.

4. Authorizes the City Manager or his designee to execute such additional documents and to undertake such further actions as are reasonably necessary to carry out the intent of this resolution, including the recordation of documents.

5. Appropriates $3,800,000 from the General Fund for the purpose of providing the bridge construction loan for the Project, in accordance with the terms and conditions of the Loan Agreement.

This resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

EXHIBIT A

LOAN AGREEMENT

by and between

THE CITY OF RANCHO CORDOVA

and

UHC 00516 RANCHO CORDOVA, L.P.,
A CALIFORNIA LIMITED PARTNERSHIP

(The Crossings at New Rancho)

_____, 2010

EXHIBIT A

Exhibits

A	Legal Description of Property
B	Form of Memorandum of Loan Agreement
C	Form of Certificate of Completion
D	Form of Regulatory Agreement
E-1	Form of Bridge Note
E-2	Form of Bridge Deed of Trust
E-3	Form of Assignment Agreement
E-4	Form of Assignment of Architectural Agreements
E-5	Form of Assignment of Construction Contracts
F	Form of Permanent Note
G	Form of Permanent Deed of Trust
H	Financing Plan
I	Form of Option and Right of First Refusal Agreement
J	Form of Replacement and Operating Reserve Agreement

EXHIBIT A

THIS LOAN AGREEMENT (this "**Agreement**") is entered into effective as of _____, 2010 ("**Effective Date**") by and between the City of Rancho Cordova, a California municipal corporation ("**City**") and UHC 00516 Rancho Cordova, L.P., a California limited partnership ("**Developer**"). City and Developer are hereinafter collectively referred to as the "**Parties.**"

RECITALS

A. Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) ("**CRL**"), the Community Redevelopment Agency of the City of Rancho Cordova ("**Agency**") has responsibility to implement the redevelopment plan adopted in 2006 by the City Council of the City ("**City Council**") by Ordinance No. 43-2006 (as subsequently amended, the "**Redevelopment Plan**") for the Rancho Cordova Redevelopment Project (the "**Project Area**").

B. Developer owns or has the contractual right to acquire a fee simple interest in that certain real property consisting of approximately 1.021 acres located in the City, and more particularly described in Exhibit A attached hereto (the "**Property**"). The Property is located in the Project Area. Developer has proposed to redevelop the Property as an eighteen (18)-unit multifamily residential project (the "**Project**"), of which seventeen (17) units will be rented at affordable rents to households whose incomes do not exceed fifty percent (50%) of the area median income, as more particularly described herein and in an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants, attached hereto as Exhibit D, by and among Developer, the City, and the Agency.

C. City has received two grants in the total amount of Four Million Six Hundred Twenty-One Thousand One Hundred Eighty Dollars ($4,621,180) (collectively, "**NSP Grant**") from the Neighborhood Stabilization Program, NSP tier 1 and NSP tier 3 (collectively, "**NSP 1 Program**") funded by the United States Department of Housing and Urban Development ("**HUD**") and administered by the California Department of Housing and Community Development ("**HCD**"), to assist in Developer's acquisition of the Property and development of the Project. City intends to loan NSP Grant funds to Developer for permanent financing ("**Permanent Loan**") in accordance with the terms and conditions herein.

D. In addition, Developer has requested, and City has agreed to provide, a construction bridge loan to Developer, in an amount not to exceed Three Million Eight Hundred Thousand Dollars ($3,800,000) ("**Bridge Loan**"), from the City's General Fund for the purpose of paying approved construction disbursement requests pending City's receipt of NSP Grant funds and tax credit equity funds, in accordance with the terms and conditions herein.

E. Concurrently herewith: (i) Developer shall execute a Secured Promissory Note ("**Bridge Note**") and Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("**Bridge Deed of Trust**"); (ii) Developer shall execute a Secured Promissory Note ("**Permanent Note**") and Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("**Permanent Deed of Trust**"); (iii) Developer, City and Agency shall execute an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (" **Regulatory Agreement**"); (iv) Developer shall execute an Assignment of Agreements, Plans and Specifications; an Assignment of Architectural Agreements and

Plans and Specifications; and an Assignment of Construction Contracts (collectively, "**Assignment Agreements**"); (v) Developer shall execute a Purchase Option and Right of First Refusal Agreement ("**Option Agreement**"); and (vi) Developer and City shall execute a Replacement and Operating Reserve Agreement ("**Reserve Agreement**"). The Bridge Deed of Trust and the Permanent Deed of Trust shall provide City with a security interest in the Property and the Project. This Agreement, the Bridge Note, the Bridge Deed of Trust, the Permanent Note, the Permanent Deed of Trust, the Regulatory Agreement, the Assignment Agreements, the Option Agreement and the Reserve Agreement are collectively referred to herein as the "**City Documents**."

F. Developer has applied for and received an allocation of nine percent (9%) Federal low-income housing tax credits ("**Tax Credits**") from the California Tax Credit Allocation Committee ("**TCAC**"). Pursuant to the Developer's Financing Plan, attached hereto as Exhibit H, the Project will be financed solely through the Bridge Loan, the Permanent Loan, and Tax Credits.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I

DEFINITIONS

1. Definitions. The following terms shall have the meanings set forth in the Sections referenced below whenever used in this Agreement and the Exhibits attached hereto. Additional terms are defined in the Recitals and text of this Agreement.

1.1 "Agency" is defined in Recital A.

1.2 "Assignment Agreements" is defined in Recital E.

1.3 "Bridge Deed of Trust" is defined in Recital E.

1.4 "Bridge Loan" is defined in Recital D.

1.5 "Bridge Note" is defined in Recital E.

1.6 "Certificate of Completion" is defined in Section 3.16.

1.7 "City" is defined in the Preamble.

1.8 "City Council" is defined in Recital A.

1.9 "City Documents" is defined in Recital E.

1.10 "Claims" is defined in Section 3.18.

1.11 "Closing Date" is defined in Section 4.1.

1.12 "Conditions of Approval" is defined in Section 3.2.

1.13 "Construction Plans" is defined in Section 3.12.

1.14 "Environmental Laws" is defined in Section 8.4.

1.15 "Financing Plan" is defined in Section 3.8.

1.16 "Hazardous Materials" is defined in Section 8.3.

1.17 "Improvements" is defined in Section 3.2.

1.18 "Indemnitees" is defined in Section 3.18.

1.19 "Official Records" means the Official Records of Sacramento County.

1.20 "Operating Reserve" is defined in Exhibit J.

1.21 "Option Agreement" is defined in Recital E.

1.22 "Partnership Agreement" is defined in Section 6.3.

1.23 "Permanent Deed of Trust" is defined in Recital E.

1.24 "Permanent Loan" is defined in Recital C.

1.25 "Permanent Note" is defined in Recital E.

1.26 "Permanent Operating Reserve" is defined in Exhibit J.

1.27 "Permitted Exceptions" is defined in Section 4.5.

1.28 "Project" is defined in Recital B and further described in Section 3.2.

1.29 "Property" is defined in Recital B.

1.30 "Regulatory Agreement" is defined in Recital E.

1.31 "Replacement Reserve" is defined in Exhibit J.

1.32 "Reserve Agreement" is defined in Recital E.

1.33 "Shortfall Reserve" is defined in Exhibit J.

1.34 "Title Policy" is defined in Section 4.5.

1.35 "Transfer" is defined in Section 6.2.

ARTICLE II

REPRESENTATIONS; EFFECTIVE DATE AND TERM

2.1 Developer's Representations. Developer represents and warrants to City as follows, and Developer covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.1 not to be true, Developer shall immediately give written notice of such fact or condition to City. Developer acknowledges that City shall rely upon Developer's representations made herein notwithstanding any investigation made by or on behalf of City.

(i) Authority; General Partner. Developer is a limited partnership, duly organized and in good standing under the laws of the State of California. Developer's general partner is UHC 00516 Rancho Cordova Holdings LLC, a California limited liability company, duly organized and in good standing under the laws of the State of California. Developer's Managing General Partner is Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, which is tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Developer has the full right, power and authority to undertake all obligations of Developer as provided herein, and the execution, performance and delivery of this Agreement by Developer has been duly authorized by all requisite actions. The persons executing this Agreement on behalf of Developer have been duly authorized to do so. This Agreement and the other City Documents constitute valid and binding obligations of Developer, enforceable in accordance with their respective terms.

(ii) No Conflict. Developer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(iii) No Litigation or Other Proceeding. No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Developer to perform its obligations under this Agreement.

(iv) No Developer Bankruptcy. Developer is not the subject of a bankruptcy or insolvency proceeding.

2.2 Effective Date; Memorandum. The obligations of Developer and City hereunder shall be effective as of the Effective Date. The Parties shall execute a Memorandum of this Agreement ("**Memorandum**") substantially in the form attached hereto as Exhibit B, which shall be recorded in the Official Records promptly upon execution thereof.

ARTICLE III

DEVELOPMENT OF THE PROJECT

3.1 The Property. Developer represents and warrants that as of the Effective Date: (i) Developer owns a fee simple interest in the Property, and (ii) the

Property is subject to no covenant, condition, restriction or agreement that would prevent the development of the Project in accordance with this Agreement. If at any time the foregoing statements become untrue, the City shall have the right to terminate this Agreement upon written notice to Developer.

3.2 Scope of Development. Developer shall develop the Project in accordance with the terms and conditions of this Agreement and in compliance with the terms and conditions of all approvals, entitlements and permits that the City or any other governmental body or agency with jurisdiction over the Project or the Property has granted or issued as of the date hereof or may hereafter grant or issue in connection with development of the Project, including without limitation, those certain NSP Standard Agreements #09-NSPR-6565 and #09-NSP1-6111 between the City and HCD, all mitigation measures imposed in connection with environmental review of the Project and all conditions of approval imposed in connection with any entitlements, approvals or permits (all of the foregoing approvals, entitlements, permits, mitigation measures and conditions of approval are hereafter collectively referred to as the "**Conditions of Approval**").

The Project will consist of the demolition of existing structures and the design, development and construction on the Property of an 18-unit multi-family residential project comprised of two (2) three-story U.S. Green Building Council L.E.E.D. Gold Certified buildings, consisting of six (6) three-bedroom, two-bath flats on the ground floor of each building and two stories of two-bedroom, two-bath townhouses in each building, consisting of a total of twelve (12) two-bedroom units, for a total of nine (9) units in each building, provided, however, that the layout or configuration of the units may change, but subject only to City approval. Each building will be electrically assisted by no less than 30kw of solar photovoltaic generation. The City shall have the exclusive right to use, sell, assign and/or transfer any Renewable Energy Credits and/or Carbon Offset Credits (collectively, "**Credits**") produced as a result of the Project's solar photovoltaic generation system that would otherwise accrue to Developer, the Property, or the Project. To the extent possible, City shall use such Credits to benefit the Project before using them for any other purpose. City shall be entitled to retain all compensation payable in connection with the use, transfer, sale, and/or assignment of such Credits. Neither Developer nor any successor in interest to Developer shall have any further right or interest in such Credits. The rights of City pursuant to this grant of Credits shall commence as of the Effective Date and shall run with the land and be binding upon Developer at its successors and assigns. The grant of Credits to City shall be recorded in the Official Records pursuant to the Memorandum of Loan Agreement or separate instrument. All of the foregoing is collectively hereinafter referred to as the "**Improvements**".

Notwithstanding anything to the contrary contained herein, the construction of the Project is expressly conditioned upon compliance with the California Environmental Quality Act, California Public Resources Code Section 21000 et seq., CEQA guidelines, and implementing regulations, all as amended from time to time ("**CEQA**") and/or the National Environmental Protection Act of 1969, 42 U.S.C. Section 4321 et seq., NEPA guidelines, and implementing regulations, all as amended from time to time ("**NEPA**"), as the same may be applicable to the Project. Necessary CEQA and NEPA studies and reports have been completed, all necessary NEPA approvals have been obtained, necessary notices have been filed and statute of limitations have expired. No physical activity, not otherwise

exempt from CEQA or NEPA, as applicable, shall commence on the Property without such compliance.

3.3 Affordable Housing. Developer covenants and agrees for itself, its successors and assigns that Developer's interest in the Property will be subjected to recorded covenants that will restrict use of the Property to development of a residential project that includes affordable housing, and that for a term of not less than fifty-five (55) years commencing upon the issuance of a final certificate of occupancy for the Project, not less than seventeen (17) of the eighteen (18) residential units in the Project (the "**Restricted Units**") shall be rented at an affordable cost to households who qualify at or below fifty percent (50%) of area median income (as defined in the Regulatory Agreement), in accordance with the terms hereof and the Regulatory Agreement, which the Parties shall execute in a form substantially similar to Exhibit D attached hereto and which shall be recorded in the Official Records.

3.3.1 Public Housing Tenants. Developer covenants and agrees to use best efforts to cooperate with City and the Sacramento Housing and Redevelopment Agency ("**SHRA**") in making available to SHRA public housing tenants up to five (5) units in the Project (the "**PBRA Units**"), in exchange for Project-based rental assistance; provided, however, that if Developer is unsuccessful in receiving Project-based rental assistance for one or more of the PBRA Units, the City shall pay, after the Shortfall Reserve is depleted, the difference between the fair market rent for the relevant unit(s) and the amount of rent that the tenant pays for the relevant unit(s) plus incremental fees to third parties, if any, incurred based on a higher amount of Project-based rental assistance payments such as management fees and investor fees or, if the amount of the Project-based rental assistance for one or more of the PBRA Units is less than the amount identified in the Financing Plan, the City shall pay, after the Shortfall Reserve is depleted, the difference between the fair market value for the relevant unit(s) and the amount of the Project-based rental assistance for the relevant unit(s) plus incremental fees to third parties, if any, incurred based on a higher amount of Project-based rental assistance payments such as management fees and investor fees. All construction cost savings to Developer on the Project (in an amount not less than the amount earned by the general contractor under provisions of Exhibit B to the General Contractor Agreement, AIA Document A102 – 2007 the "Contractor's Participation in Cost Savings" program) shall be used first, to pay for cost overruns, provided that they have resulted from approved Change Orders; second, to pay deferred developer fees (if any); third, to interest accrued on the Bridge Note in excess of Eighty Thousand Dollars ($80,000), the amount budgeted therefor in the Financing Plan; and fourth, for deposit in the Shortfall Reserve. For purposes of this Section 3.3.1, and notwithstanding anything to the contrary contained herein, Change Orders equal to or less than Ten Thousand Dollars ($10,000) shall be deemed approved without prior approval of the City, but a complete description of such Change Orders shall be submitted to the City within fifteen (15) days of initiation of such work. Any Change Order exceeding Ten Thousand Dollars ($10,000) shall be submitted to the City for approval prior to commencement of the work described therein. City shall respond to such request for approval within ten (10) days of receipt of said Change Order and shall not withhold approval unreasonably. Except for emergencies, as reasonably determined by City, no work associated with a Change Order in excess of Ten Thousand Dollars ($10,000) will be eligible for payment if it has not been approved by City prior to initiation of the work. City shall be given immediate telephonic or electronic notice of emergency work anticipated to require a Change Order in an amount in excess of

Ten Thousand Dollars ($10,000). To the maximum extent possible, a single Change Order must describe all related work associated with the condition causing the need for a Change Order.

Notwithstanding anything to the contrary contained herein, the annual sum of Project-based rental assistance, payments from the Shortfall Reserve, and payments made by the City pursuant to this Section 3.3.1 shall not exceed than Forty One Thousand Two Hundred Twenty Dollars ($41,220) in the Project's first year. The minimum sum of Project-based rental assistance, payments from the Shortfall Reserve, and payments made by the City pursuant to this Section 3.3.1 shall increase annually at a rate of 2.5% per annum each subsequent year, as reflected in the Financing Plan. Notwithstanding the foregoing, City shall have no obligation to cover any operating shortfalls in an amount that exceeds the amount of the annual Project-based rental assistance reflected in the Financing Plan.

Additionally, for any year in which Annual Operating Expenses exceed Gross Revenues (as both are defined in the Permanent Note), City shall make a payment to Developer equal to the amount by which Annual Operating Expenses, up to the annual maximum projected Operating Expense amount identified in the Financing Plan, exceeds Gross Revenues. Such payment by City for the PBRA Units shall not exceed the Project-based rental assistance amount identified for the year in question for those PBRA Units (which in the Project's first year is Forty One Thousand Two Hundred Twenty Dollars ($41,220)).

The Parties shall use their best efforts to work to obtain a reduced utility allowance schedule and other benefits associated with the Project's photovoltaic system that will reduce utility costs and improve the Project's cash flow as such benefits become available and are financially feasible.

3.4 Project Approvals. Developer acknowledges and agrees that execution of this Agreement by City does not constitute approval for the purpose of the issuance of building permits for the construction of the Project, does not limit in any manner the discretion of City in such approval process, and does not relieve Developer from the obligation to apply for and obtain all necessary entitlements, approvals, and permits for the construction of the Project, including without limitation, the approval of architectural plans, the issuance of any certificates regarding historic resources required in connection with the Project (if any), and the completion of any required environmental review.

Developer covenants that it shall: (i) obtain all necessary permits and approvals which may be required by City or any other governmental agency having jurisdiction over the construction of the Project or the development of the Property, (ii) comply with all Conditions of Approval, (iii) comply with all mitigation measures imposed in connection with any environmental review of the Project, and (iv) not commence construction work on the Project prior to issuance of both building permits required for such work and a "Notice to Proceed" issued to City from HCD.

3.5 Fees. Developer shall be solely responsible for, and shall promptly pay when due, all customary and usual fees and charges of City in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any

related approvals and permits, environmental review, design review, architectural review, and any subsequent approvals for the Project or the development of the Property.

3.6 Cost of Acquisition and Construction. Except as expressly set forth herein, Developer shall be solely responsible for all direct and indirect costs and expenses incurred in connection with the acquisition of the Property, the design, development and construction of the Project and compliance with the Conditions of Approval, including without limitation the installation and construction of all off-site or on-site improvements required by City in connection therewith, except costs and expenses related to demolition of any improvements presently located on the Property.

3.7 Construction Contingency Accounts. The release of funds from both the project Hard Cost and Soft Cost contingency accounts shall require prior written approval from the City. City shall respond within five (5) business days of City's receipt of a complete request for the release of funds or such request will be deemed approved.

3.8 Financing Plan. As set forth in the attached Exhibit H, Developer has provided City with a preliminary financing plan for the Project ("**Financing Plan**") which describes (i) the estimated costs of Project development, including acquisition costs, and hard and soft construction costs, (ii) an operating pro forma which describes projected revenue and expenses for the Project, and (iii) identification of sources of construction and permanent financing. The Financing Plan must be and remain in a form and content that satisfies the requirements of HCD as administrator of the NSP Grant. Developer may update the Financing Plan throughout the term of this Agreement, provided that Developer shall request and obtain prior written approval from the City of any proposed modifications. If the City fails to approve of any such modification within fifteen (15) days following City's receipt of the proposed modifications, then the Financing Plan and the encumbrances which may be recorded against the Property in connection with the financing contemplated by the Financing Plan shall be deemed disapproved by the City. The City agrees not to unreasonably withhold consent to proposed modifications to the Financing Plan.

Developer agrees to use best efforts to operate and manage the Project so as to minimize residual receipts therefrom, including without limitation, using residual receipts to fund a social services program for Project residents.

3.9 Development Schedule. Developer shall commence and complete construction of the Project and shall satisfy all other obligations of Developer under this Agreement within the time periods set forth herein, as such time periods may be extended upon the mutual written consent of the Parties. Subject to force majeure, the availability of financing, and the City's issuance of permits and approvals, Developer shall commence construction of the Project within thirty (30) days of issuance of building permits, but in any event no later than the earlier of: (i) December 30 , 2010, or (ii) the earliest date as may be permitted by TCAC, and Developer shall diligently prosecute to completion the construction of the Project in order to allow City to issue a final certificate of occupancy in no event later than June 30, 2012 or such earlier date as may be required by TCAC. The Parties acknowledge that the NSP regulations require that all NSP Funds must be spent prior to June 30, 2012. Therefore, final construction draw requests are due to City no later than April 30, 2012. Subject to force majeure, the availability of financing, and the City's issuance of permits and approvals, Developer's failure to commence or complete

construction of the Project in accordance with the time periods specified in this Section 3.9 shall be an Event of Developer Default hereunder.

3.10 Rights of Access. For the purpose of ensuring that the Project is developed in compliance with this Agreement, Developer shall permit representatives of the City to enter upon the Property to inspect the Project following forty-eight (48) hours written notice, including without limitation inspection for labor standards compliance monitoring as described in Section 3.18 (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided). Developer shall have the right to accompany any City representative performing an inspection of the Project.

3.11 City Disclaimer. Developer acknowledges that City is under no obligation, and City does not undertake or assume any responsibility or duty to Developer or to any third party, to in any manner review, supervise, or inspect the progress of construction or the operation of the Project. Developer and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Project. Any review or inspection undertaken by the City is solely for the purpose of determining whether Developer is properly discharging its obligations under this Agreement, and shall not be relied upon by Developer or any third party as a warranty or representation by the City as to the quality of the design or construction of the Improvements or otherwise.

3.12 Construction Plans. Prior to commencement of Project construction, Developer shall submit to City's Building Department detailed construction plans for the development of the Project (the "**Construction Plans**"). As used herein "Construction Plans" means all construction documents upon which Developer and Developer's contractors shall rely in constructing the Project (including the landscaping, parking, and common areas) and shall include, without limitation, the site development plan, final architectural drawings, landscaping, exterior lighting and signage plans and specifications, materials specifications, final elevations, and building plans and specifications. The Construction Plans shall be based upon the scope of development set forth herein and upon the approvals issued by the City for the Project, and shall not materially deviate therefrom without the express written consent of City.

3.13 Construction Pursuant to Plans. Developer shall develop the Project in accordance with the approved Construction Plans, the Conditions of Approval, and all other permits and approvals granted by the City pertaining to construction of the Project. Developer shall comply with all directions, rules and regulations of any fire marshal, health officer, building inspector or other officer of every governmental agency having jurisdiction over the Property or the Project. Each element of the work shall proceed only after procurement of each permit, license or other authorization that may be required for such element by any governmental agency having jurisdiction. All design and construction work on the Project shall be performed by licensed contractors, engineers or architects, as applicable.

3.14 Change in Construction Plans. If Developer desires to make any material change in the approved Construction Plans (including all requests for change orders), Developer shall submit the proposed change in writing to City in accordance with its

standard review process. Nothing in this Section 3.14 is intended to or shall be deemed to modify the City's standard plan review procedures.

3.15 Defects in Plans. City shall not be responsible to Developer or to any third party for any defect in the Construction Plans or for any structural or other defect in any work done pursuant to the Construction Plans. Subject to the last sentence of this Section 3.15, Developer shall indemnify, defend (with counsel approved by City) and hold harmless the Indemnitees from and against all Claims arising out of, or relating to, or alleged to arise from or relate to defects in the Construction Plans or defects in any work done pursuant to the Construction Plans whether or not any insurance policies shall have been determined to be applicable to any such Claims. Developer's indemnification obligations set forth in this Section 3.15 shall survive the expiration or earlier termination of this Agreement and the recordation of a Certificate of Completion and shall be assumed by any successor to Developer's interest in this Agreement. It is further agreed that City does not, and shall not, waive any rights against Developer which it may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City, of any of the insurance policies described in this Agreement. Developer's indemnification obligations pursuant to this Section 3.15 shall not extend to Claims to the extent arising due to the gross negligence or willful misconduct of the Indemnitees. Developer's indemnification obligations set forth in this Section 3.15 shall not apply to any Construction Plans that are not used by or on behalf of Developer or any entity affiliated with Developer, including without limitation, an entity controlled by or under common control with Developer ("**Controlled Affiliate**"). In addition, if City uses any of the Construction Plans (or permits a third party to use such Construction Plans), City agrees to release Developer from liability for Claims arising in connection with such use except to the extent any such Claim arises from the gross negligence or willful misconduct of Developer or Developer's employees, agents or representatives.

3.16 Certificate of Completion for Project. Promptly after completion of construction of the Project, issuance of a final Certificate of Occupancy by the City and the written request of Developer, the City will provide an instrument ("**Certificate of Completion**") so certifying, provided that at the time such certificate is requested all applicable components of the Project have been completed. The Certificate of Completion shall be conclusive evidence that Developer has satisfied its obligations regarding the development of the Property.

The Certificate of Completion shall be issued substantially in the form attached hereto as Exhibit C, and at Developer's option, shall be recorded in the Official Records. The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a deed of trust or mortgage securing money loaned to finance the Project or any part thereof and shall not be deemed a notice of completion under the California Civil Code, nor shall such Certificate provide evidence that Developer has satisfied any obligation that survives the expiration of this Agreement, including without limitation, Developer's obligations pursuant to the Regulatory Agreement.

3.17 Equal Opportunity. During the construction of the Project, there shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person

engaged in construction of the Project, and Developer shall direct its contractors and subcontractors to refrain from discrimination on such basis.

3.18 Prevailing Wage Requirements. To the full extent required by all applicable state and federal laws, rules and regulations, if any, Developer and its contractors and agents shall comply with California Labor Code Section 1720 *et seq.* and the regulations adopted pursuant thereto ("**State Prevailing Wage Laws**"), and, to the extent applicable, the prevailing wager provisions of the Davis-Bacon Act, 40 U.S.C. Sections 3141-3148 and implementing rules and regulations (collectively, "**Davis-Bacon**") and shall be responsible for carrying out the requirements of such provisions. If required by California law or City policy, Developer shall submit to City a plan for monitoring payment of prevailing wages and shall implement such plan at Developer's expense.

Subject to the last sentence of this paragraph, Developer shall indemnify, defend (with counsel approved by City) and hold the City and its elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the "**Indemnitees**") harmless from and against all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively "Claims") which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation, all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781), the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws and/or Davis-Bacon, or any act or omission of Developer related to this Agreement with respect to the payment or requirement of payment of prevailing wages, whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City does not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City, of any of the insurance policies described in this Agreement. The provisions of this Section 3.18 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project and shall be assumed by any successor to Developer's interest in this Agreement. Developer's indemnification obligations set forth in this Section 3.18 shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of one or more of the Indemnitees. Developer's indemnification obligations set forth in this Section 3.18 shall only apply to work performed by or on behalf of Developer or any entity affiliated with Developer, including without limitation, a Controlled Affiliate.

3.19 Compliance with Competitive Bidding and Other Laws. In connection with development and construction of the Project, Developer shall comply, and shall cause its contractors to comply with all applicable federal, state and local laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code (if any), the City zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, applicable provisions of the Americans

with Disabilities Act, 42 U.S.C. Section 12101 *et seq.*, Government Code Section 4450 *et seq.*, Government Code Section 11135 *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51 *et seq.*. Developer shall indemnify, defend (with counsel approved by City) and hold harmless the Indemnitees from and against any and all Claims arising in connection with the breach of Developer's obligations set forth in this Section 3.19 whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City does not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or Developer's deposit with City, of any of the insurance policies described in this Agreement. Developer's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees. Developer's defense and indemnification obligations set forth in this Section 3.19 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project.

3.20 Liens and Stop Notices. Until the expiration of the term of the Regulatory Agreement and full repayment of the Loan, if a claim of a lien or stop notice is given or recorded affecting the Project or the Property, Developer shall within thirty (30) days of such recording or service: (a) pay and discharge (or cause to be paid and discharged) the same; or (b) effect the release thereof by recording and delivering (or causing to be recorded and delivered) to the party entitled thereto a surety bond in sufficient form and amount; or (c) provide other assurance satisfactory to City that the claim of lien or stop notice will be paid or discharged.

3.21 Right of City to Satisfy Liens on the Property. If Developer fails to satisfy or discharge any lien or stop notice on the Property pursuant to and within the time period set forth in Section 3.20 above, the City shall have the right, but not the obligation, to satisfy any such liens or stop notices at Developer's expense with prior written notice to Developer and all sums advanced by City for such purpose shall be part of the indebtedness secured by the Bridge Deed of Trust and Permanent Deed of Trust. In such event Developer shall be liable for and shall immediately reimburse City for such paid lien or stop notice. Alternatively, the City may require Developer to immediately deposit with City the amount necessary to satisfy such lien or claim pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against Developer. Developer shall file a valid notice of cessation or notice of completion upon cessation of construction of the Improvements for a continuous period of thirty (30) days or more, and shall take all other reasonable steps to forestall the assertion of claims or liens against the Property or the Improvements. The City may (but has no obligation to), with prior written notice to Developer, record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Property and the Improvements.

3.22 Performance and Payment Bonds. Prior to commencement of construction work on the Project, Developer shall cause its general contractor to deliver to the City copies of payment bond(s) and performance bond(s) issued by a reputable insurance company licensed to do business in California, each in a penal sum of not less than one hundred percent (100%) of the scheduled cost of construction of the Project. The bonds shall name the City as obligee. In lieu of such performance and payment bonds, subject to City's approval of the form and substance thereof, Developer may submit evidence

satisfactory to the City of the contractor's ability to commence and complete construction of the Project in the form of an irrevocable letter of credit, pledge of cash deposit, certificate of deposit, or other marketable securities held by a broker or other financial institution, with signature authority of the City required for any withdrawal, or a completion guaranty in a form and from a guarantor acceptable to City. Such evidence must be submitted to City in approvable form in sufficient time to allow for City's review and approval prior to the scheduled construction start date.

3.23 Insurance Requirements. Developer shall maintain and shall cause its contractors to maintain all applicable insurance coverage specified in Article X.

3.24 City Transportation Policy. To the maximum extent permitted by law, and in accordance with commercially reasonable practice, Developer agrees to encourage the use of public transportation and seek to limit private automobile use by Project residents, including but not limited to considering, in the course of tenant selection, prospective tenants' commitment to use of public transportation.

ARTICLE IV

CITY FINANCIAL ASSISTANCE

4.1 Bridge Loan. City will provide a Bridge Loan to Developer upon the terms and conditions set forth in this Agreement to fund approved Project construction costs pending City's receipt of the proceeds of the NSP Grant (defined in Recital C). The maximum principal balance outstanding under the Bridge Loan at any one time shall be Three Million Eight Hundred Thousand Dollars ($3,800,000). The Bridge Loan will be evidenced by a Bridge Note in the amount of the Bridge Loan, executed by Developer substantially in the form attached hereto as Exhibit E-1. The Bridge Note shall be secured by a Bridge Deed of Trust executed by Developer as Trustor for the benefit of City substantially in the form attached hereto as Exhibit E-2.

4.1.1 Bridge Loan Interest Rate, Maturity Date, Origination Fee. The principal balance of the Bridge Note outstanding from time to time shall bear interest at the rate of three and one quarter percent (3.25%) plus current London Inter Bank Offered Rate (**"LIBOR"**) of seventy seven one hundredths of one percent (.77%) for a total interest rate, to be fixed for life of construction, at four and two tenths of one percent (4.02%) per annum compounded daily, at a rate of one three hundred and sixty fifth of the annual rate (4.02% divided by 365), commencing upon the date of disbursement. Notwithstanding anything to the contrary herein, the total amount of interest accrued pursuant to the Bridge Note shall not exceed Eighty Thousand Dollars ($80,000) , the amount budgeted for such expense in the Financing Plan, unless there are construction cost savings available pursuant to Section 3.3.1 to pay any interest accrued pursuant to the Bridge Note in excess of such figure.. Periodic payments on the Bridge Note shall be due and payable on a quarterly basis as NSP Grant Proceeds are made available by HCD and/or Net Investor Equity is contributed pursuant to Developer's agreement of limited partnership (the "**Partnership Agreement**"). As used herein, the term "Net Investor Equity" shall mean any equity contributed to Developer by its limited partners pursuant to the Partnership Agreement which Developer does not use to (i) fund construction of the Project in accordance with this Agreement, (ii) pay any portion of the developer fee payable in accordance with the Financing Plan, or (iii) fund any reserves required under the City Documents or the

Partnership Agreement. Net Investor Equity shall not include any equity contributed by Developer's limited partners to the extent that the Partnership Agreement provides that such equity be placed into a blocked account or reserved for uses other than payments on the Bridge Note. The entire outstanding principal balance of the Bridge Note together with accrued interest shall be due and payable on the later of (i) the date upon which HCD makes the final disbursement of NSP Grant Proceeds available to City, or (ii) the date upon which the final equity contribution is made to the Developer by Developer's limited partners pursuant to the Partnership Agreement; provided, however, that in no event shall such payment of the Bridge Note outstanding principal balance and accrued interest be made more than thirty-six (36) months from City's issuance of the Notice of Completion or equivalent notice for the Project. City shall charge an origination fee for the Bridge Loan equal to fixed sum of Forty Thousand Dollars ($40,000), which sum shall be payable at closing for the Bridge Loan from tax credit investor equity. NSP Grant Proceeds shall automatically convert to Permanent Loan financing pursuant to the terms and conditions specified herein and in the Permanent Note, attached hereto as Exhibit F.

4.2 Permanent Loan. Using the proceeds of the NSP Grant, City will provide a Permanent Loan to Developer in the maximum principal amount of Four Million, Six Hundred Twenty-One Thousand, One Hundred Eighty Dollars ($4,621,180) upon the terms and conditions and for the purposes set forth in this Agreement. The Permanent Loan will be evidenced by a Permanent Note in the amount of the Permanent Loan executed by Developer substantially in the form attached hereto as Exhibit F. The Permanent Note shall be secured by a Permanent Deed of Trust, executed by Developer as Trustor for the benefit of City substantially in the form attached hereto as Exhibit G. The Permanent Deed of Trust shall be recorded in the Official Records on the Closing Date. The Permanent Deed of Trust may be subordinated only to such liens and encumbrances as City may approve in writing. Provided that Developer has complied with all conditions precedent to disbursement of the Permanent Loan set forth in Section 4.8, the proceeds of the Permanent Loan shall be disbursed for the purposes set forth in this Agreement.

4.3 Use and Disbursement of Proceeds. The proceeds of the Bridge Loan and the Permanent Loan ("Loan Proceeds") shall be used solely to fund construction of the Project consistent with the Project approvals, this Agreement, the approved construction contract for the Project, and the approved Project development budget.

4.4 Permanent Loan Interest Rate; Payment Dates; Maturity Date. The outstanding principal balance of the Permanent Note will not bear interest Annual payments shall be due and payable on a residual receipts basis in accordance with the formula set forth in the Permanent Note and the project financing plan. The entire outstanding principal balance of the Permanent Loan together with all other sums due under the Permanent Note shall be payable in full on the date (the "Maturity Date") which is the earlier of (i) the fifty-fifth (55th) anniversary of the date of issuance of the final certificate of occupancy for the Project, or (ii) the fifty-seventh (57th) anniversary of the Permanent Loan origination date. Notwithstanding the foregoing, the City shall have the right to accelerate the maturity date and declare all sums payable under the Permanent Note immediately due and payable upon the occurrence of an Event of Developer Default, including without limitation, Developer's failure to commence or complete construction of the Project within the times periods specified in this Agreement.

4.5 Cost Savings. "Excess Proceeds" shall mean the sum of all sources of financing received by Developer for acquisition, construction and permanent financing of the Property and the Project, less the sum of actual uses as shown on the final cost certificate for the Project, excluding deferred developer fees (if any). Prior to calculating Excess Proceeds, the Project's Permanent Operating Reserve (as defined herein) shall be funded in an amount equal to One Hundred Ninety Three Thousand Seven Hundred Forty Seven Dollars ($193,747) as shown on the approved Project pro forma, and the Shortfall Reserve shall be funded in an amount equal to Eighty Three Thousand Four Hundred Seventy One Dollars ($83,471). Developer's General Contractor shall receive fifty percent (50%) of construction savings. The remaining fifty percent (50%) of construction cost savings shall constitute Excess Proceeds to Developer. Excess Proceeds shall be used first, to pay for cost overruns, provided that they have resulted from approved Change Orders; second, to pay deferred developer fees (if any); third, to interest accrued on the Bridge Note in excess of Eighty Thousand Dollars ($80,000), the amount budgeted therefor in the Financing Plan; and fourth, for deposit in the Shortfall Reserve. Change Orders and City payments to Developer in lieu of Project-based rental assistance shall be governed by the provisions of Section 3.3.1 of this Agreement.

4.6 Prepayment; Acceleration.

(a) Prepayment. Developer shall have the right to prepay the Bridge Loan and/or the Permanent Loan at any time and from time to time, without penalty or premium, provided that any prepayment of principal must be accompanied by interest accrued but unpaid to the date of prepayment. Prepayments shall be applied first to accrued but unpaid interest and then to principal. Any such prepayment shall have no effect upon Developer's obligations under the Regulatory Agreement which shall survive for the full term of the Regulatory Agreement.

(b) Due On Sale or Encumbrance. Unless City agrees otherwise in writing, the entire unpaid principal balance and all interest and other sums accrued under the Bridge Note and the Permanent Note shall be due and payable upon the Transfer absent the prior written consent of City of all or any part of or interest in the Property except as otherwise permitted pursuant to this Agreement.

4.7 Nonrecourse. Except as expressly provided in Section 3.9 of the Bridge Note and Section 3.9 of the Permanent Note, both the Bridge Note and the Permanent Note shall be non-recourse to Developer.

4.8 Conditions to Disbursement of Loan Proceeds. City's obligation to fund the Bridge Loan and the Permanent Loan and disburse the proceeds (the "Loan Proceeds") thereof is conditioned upon the satisfaction of all of the conditions set forth in Articles II and III above, and all of the following conditions:

(i) Developer's execution and delivery to City of this Agreement, the Bridge Note, the Permanent Note, the Bridge Deed of Trust, the Permanent Deed of Trust, the Memorandum, the Regulatory Agreement, the Option Agreement, the Assignment Agreements, and the Reserve Agreement;

(ii) Recordation of the Memorandum, the Bridge Deed of Trust, the Construction Deed of Trust, the Option Agreement and the Regulatory Agreement in the Official Records;

(iii) The issuance by an insurer satisfactory to City of an A.L.T.A. lender's policy of title insurance ("Title Policy") for the benefit of City in the amount of the Bridge Loan and the Permanent Loan, showing fee title to the Property vested in Developer and insuring that the Bridge Deed of Trust, the Permanent Deed of Trust, the Option Agreement and the Regulatory Agreement are subject only to such title exceptions as City may approve in writing and containing such endorsements as City may reasonably require, with the cost of such Title Policy to be paid by Developer;

(iv) Developer's delivery to the City of evidence of property and liability insurance coverage in accordance with the requirements set forth in the City Documents;

(v) Developer's delivery to City of each of the following: (i) certificate of good standing, certified by the Secretary of State indicating that Developer is properly organized and authorized to do business in the State of California, (ii) a certified resolution indicating that Developer has authorized the transactions contemplated by this Agreement and that the persons executing the City Documents on behalf of Developer have been duly authorized to do so, (iii) certified copy of Developer's LP-1, (iv) a copy of Developer's executed partnership agreement, certified as accurate and complete by an authorized officer of Developer's general partner; (v) certified copies of Developer's general partner's LLC-1 and operating agreement; and (vi) verification of Developer's Managing General Partner's tax-exempt status;

(vi) No material adverse change as determined by City in its reasonable judgment shall have occurred in the condition of the Property or in the financial or other condition of Developer since the date of this Agreement;

(vii) Developer's delivery to City of evidence reasonably satisfactory to City that Developer has obtained all necessary entitlements, permits (including without limitation building permits), licenses, and approvals required to develop the Project, or that the receipt of such permits is subject only to such conditions as City shall reasonably approve;

(viii) City shall have approved the final plans and specifications for the Project;

(ix) City shall have obtained the issuance by HCD of all approvals required in connection with the use of the NSP Grant proceeds for construction;

(x) Developer shall have delivered to City evidence reasonably satisfactory to City that Developer has secured binding commitments, subject only to commercially reasonable conditions, for all Project construction and permanent financing, including without limitation) an executed agreement of limited partnership evidencing the commitment of Developer's limited partner to contribute equity funds in accordance with a schedule approved by City;

(xi) City shall have confirmed to its satisfaction that Developer's limited partners have funded their contribution to the Project in accordance with the Partnership Agreement;

(xii) Developer's delivery to City and City approval of all of the following: (a) Project construction and operating budgets; (b) performance bonds or other assurance of completion reasonably acceptable to City pursuant to the requirements set forth in Section 3.21; (c) construction schedule; (d) construction contract for the Project, (e) such other documents related to the development and financing of the Project as City may reasonably request;

(xiii) City's receipt of written requisition(s) from Developer specifying the amount and use of the requested funds, accompanied by: (a) copies of third-party invoices, evidence of Developer's payment for services rendered in connection with the Project and such other documentation as City shall reasonably require, including without limitation assignment agreements and consents in form acceptable to City providing City with the right to rely upon and use the plans, studies and other work product paid for with Loan Proceeds; (b) certification by Borrower's architect that the work for which disbursement is requested has been completed (although City reserves the right to inspect the Property and make an independent evaluation); and (c) lien releases and/or mechanics lien title insurance endorsements acceptable to City.

(xiv) City's inspection and approval of the work that is the subject of the requisition; and

(xv) Developer's compliance with all applicable requirements for disbursement of NSP Grant funds.

4.9 No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the City shall have no obligation to disburse or authorize the disbursement of any portion of the Loan Proceeds following:

(i) the failure of any of Developer's representations and warranties made in this Agreement or in connection with this Agreement, the Bridge Loan or the Permanent Loan to be true and correct in all material respects;

(ii) the termination of this Agreement by mutual agreement of the Parties;

(iii) the failure of Developer's limited partners to pay their equity contribution to the Project in accordance with the Partnership Agreement;

(iv) the occurrence of an Event of Default under any City Document which remains uncured beyond any applicable cure period, or the existence of any condition, event or act which upon the giving of notice or the passage of time or both would constitute an Event of Default under any City Document.

4.10 Cost Certification. At Developer's expense, Developer shall provide City with a complete certified audit of all construction period expenditures from all sources of funding. With City's prior written approval, Developer may submit a comparable audit as may be

required by TCAC. In such case Developer shall confer with the City regarding the firm that will provide such audit services.

ARTICLE V

USE OF THE PROPERTY

5.1 Use; Affordable Housing. Developer covenants and agrees for itself and its successors and assigns that the Property shall be used for the development and operation of a multi-family residential project, in accordance with the terms and conditions of this Agreement and the Regulatory Agreement.

5.2 Maintenance. Developer shall, at its own expense, maintain the Property, the Improvements and related landscaping and common areas in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations. Without limiting the foregoing, Developer agrees to maintain the Project and the Property (including without limitation, the residential units, common areas, landscaping, driveways, parking areas, and walkways) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property or at the Project. Developer shall prevent and/or rectify any physical deterioration of the Property and the Project and shall make all repairs, renewals and replacements necessary to keep the Property and the improvements located thereon in good condition and repair. Developer shall provide adequate security for occupants of the Project.

5.3 Taxes and Assessments. From and after Developer's acquisition of the Property, Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Property or the Improvements and payable by Developer, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property or the Improvements; provided, however, that Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. The Parties acknowledge and agree that for purposes of the partial payment of property taxes for the Property and the Project, a Payment in Lieu of Taxes ("**PILOT**") as identified in the Financing Plan shall be required if there is Surplus Cash. In the event the Developer exercises its right to contest any tax, assessment, or charge, the Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

5.4 Obligation to Refrain from Discrimination. Developer shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or the Improvements, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Developer covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of

subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or the Improvements or part thereof. Developer shall include such provision in all deeds, leases, contracts and other instruments executed by Developer, and shall enforce the same diligently and in good faith.

All deeds, leases or contracts made or entered into by Developer, its successors or assigns, as to any portion of the Property or the Improvements shall contain the following language:

(a) In Deeds, the following language shall appear:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land."

"(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(b) In Leases, the following language shall appear:

"(1) The lessee herein covenants by and for the lessee and lessee's heirs, personal representatives and assigns, and all persons claiming under the lessee or through the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination of segregation with reference to the selection, location, number, use or

occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased.

"(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(c) In Contracts, the following language shall appear:

"There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land."

ARTICLE VI

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF DEVELOPER

6.1 Change Pursuant to this Agreement. Developer and its principals have represented that they possess the necessary expertise, skill and ability to carry out the development of the Project on the Property pursuant to this Agreement. The qualifications, experience, financial capacity and expertise of Developer and its principals are of particular concern to the City. It is because of these qualifications, experience, financial capacity and expertise that the City has entered into this Agreement with Developer. No voluntary or involuntary successor, assignee or transferee of Developer shall acquire any rights or powers under this Agreement, except as expressly provided herein.

6.2 Prohibition on Transfer. Prior to the expiration of the term of the Regulatory Agreement, Developer shall not, except as expressly permitted by this Agreement, directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, assignment or lease (collectively, "**Transfer**") of the whole or any part of Developer's interest in the Property, the Project, the Improvements, or this Agreement, without the prior written approval of City, which approval shall not be unreasonably withheld. Any such attempt to assign this Agreement without the City's consent shall be null and void and shall confer no rights or privileges upon the purported assignee. In addition to the foregoing, prior to the expiration of the term of the Regulatory Agreement, except as expressly permitted by this Agreement, Developer shall not undergo

any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a "significant change of ownership" shall mean a transfer of the beneficial interest of more than twenty-five percent (25%) in aggregate of the present ownership and /or control of Developer, taking all transfers into account on a cumulative basis; provided however, that notwithstanding the foregoing or anything to the contrary contained herein, (i) neither the admission of limited partner(s), nor the transfer by such limited partner(s) of their interest in Developer to subsequent limited partners shall be restricted by this provision; (ii)such limited partner(s) may remove Developer's general partner(s) for cause in accordance with the Partnership Agreement, provided that such limited partner(s) replace any general partner(s) so removed with a replacement general partner reasonably acceptable to the City within a reasonable period of time; and (iii) the City's consent shall not be required in connection with any transfer of the Property or the partnership interests of Developer's limited partner(s) pursuant to the Purchase Option Agreement (as defined in the Partnership Agreement), provided further that City's Option remain at all times senior to such Purchase Option Agreement.

6.3 Permitted Transfers. Notwithstanding any contrary provision hereof, the prohibitions set forth in this Article shall not be deemed to prevent: (i) the granting of easements or permits to facilitate development of the Property; (ii) the dedication of any property required pursuant to this Agreement; (iii) the lease of individual residences to tenants for occupancy as their principal residence in accordance with the Regulatory Agreement or the lease of any commercial space to individual tenants; (iv) assignments creating security interests for the purpose of financing the acquisition, construction or permanent financing of the Project or the Property in accordance with the approved Financing Plan as it may be updated with City approval, and subject to the requirements of Article VII, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; (v) a Transfer to an entity which is under the direct control of Urban Housing Communities, LLC, a California limited liability company.

6.4 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Improvements, the Property or portion thereof if all of the following requirements are met (provided however, the requirements of this Section 6.4 shall not apply to Transfers described in clauses (i) through (v) of Section 6.3):

(i) The proposed transferee demonstrates to the City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete construction of the Project and to otherwise fulfill the obligations undertaken by the Developer under this Agreement.

(ii) The Developer and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of this Agreement, the Improvements, the Property or interest therein together with such documentation of the proposed transferee's qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Developer under this Agreement and the City Documents arising after the effective date of the Transfer and all obligations of Developer arising prior to the effective date of the Transfer (unless Developer expressly remains responsible for such

obligations) and shall agree to be subject to and assume all of Developer's obligations pursuant to the Conditions of Approval and all other conditions, and restrictions set forth in this Agreement and the Regulatory Agreement.

(iv) The Transfer shall be effectuated pursuant to a written instrument satisfactory to the City in form recordable in the Official Records.

Consent to any proposed Transfer may be given by the City Manager unless the City Manager, in his or her discretion, refers the matter of approval to the City Council. If a proposed Transfer has not been approved by City in writing within thirty (30) days following City's receipt of written request by Developer, it shall be deemed rejected.

6.5 Effect of Transfer without City Consent.

6.5.1 In the absence of specific written agreement by the City, no Transfer by Developer shall be deemed to relieve the Developer or any other party from any obligation under this Agreement.

6.5.2 Without limiting any other remedy City may have under this Agreement, or under law or equity, it shall be an Event of Developer Default hereunder entitling City to terminate this Agreement if without the prior written approval of the City, Developer assigns or Transfers this Agreement, the Improvements, or the Property prior to the City's issuance of a Certificate of Completion. This Section 6.5.2 shall not apply to Transfers described in clauses (i) through (v) of Section 6.3.

6.6 Recovery of City Costs. Developer shall reimburse City for all City costs, including but not limited to reasonable attorneys' fees, incurred in reviewing instruments and other legal documents proposed to affect a Transfer under this Agreement and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee within ten (10) days following City's delivery to Developer of an invoice detailing such costs.

ARTICLE VII

SECURITY FINANCING AND RIGHTS OF MORTGAGEES

7.1 Mortgages and Deeds of Trust for Development. Mortgages and deeds of trust, or any other reasonable security instrument are permitted to be placed upon the Property or the Improvements only for the purpose of securing loans for the purpose of financing the acquisition of the Property, the design and construction of the Improvements, and other expenditures reasonably necessary for development of the Property pursuant to this Agreement. Developer shall not enter into any conveyance for such financing that is not contemplated in the Financing Plan as it may be updated with City approval, without the prior written approval of the City Manager or his or her designee. As used herein, the terms "mortgage" and "deed of trust" shall mean any security instrument used in financing real estate acquisition, construction and land development.

7.1.1 Memorandum and Regulatory Agreement to be Senior to Mortgages. The City will not withhold consent to reasonable requests for subordination of the City Deeds of Trust and Regulatory Agreement to deeds of trust provided for the benefit of lenders identified in the Financing Plan as it may be updated with City approval, provided

that the instruments effecting such subordination include reasonable protections to the City in the event of default.

7.2 Holder Not Obligated to Construct. The holder of any mortgage, deed of trust authorized by this Agreement shall not be obligated to complete construction of the Improvements or to guarantee such completion. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

7.3 Notice of Default and Right to Cure. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to each holder of record of any mortgage or deed of trust secured by the Property or the Improvements, provided that City has been provided with the address for delivery of such notice. City shall have no liability to any such holder for any failure by the City to provide such notice to such holder. Each such holder shall have the right, but not the obligation, at its option, to cure or remedy any such default or breach within the cure period provided to Developer extended by and additional sixty (60) days. In the event that possession of the Property or the Improvements (or any portion thereof) is required to effectuate such cure or remedy, the holder shall be deemed to have timely cured or remedied the default if it commences the proceedings necessary to obtain possession of the Property or Improvements, as applicable, within sixty (60) days after receipt of the City's notice, diligently pursues such proceedings to completion, and after obtaining possession, diligently completes such cure or remedy. A holder who chooses to exercise its right to cure or remedy a default or breach shall first notify City of its intent to exercise such right prior to commencing to cure or remedy such default or breach. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction of the Project (beyond the extent necessary to conserve or protect the same) without first having expressly assumed in writing Developer's obligations to City under this Agreement. The holder in that event must agree to complete, in the manner provided in this Agreement, the Project and the Improvements and submit evidence reasonably satisfactory to City that it has the development capability on staff or retainer and the financial capacity necessary to perform such obligations. Any such holder properly completing the Project pursuant to this Section 7.3 shall assume all rights and obligations of Developer under this Agreement and shall be entitled to a Certificate of Completion upon compliance with the requirements of this Agreement.

7.4 City Right to Cure Defaults. In the event of a breach or default by Developer under a mortgage or deed of trust secured by the Property or the Improvements, City may cure the default, without acceleration of the subject loan, following prior notice thereof to the holder of such instrument and Developer. In such event, Developer shall be liable for, and City shall be entitled to reimbursement from Developer for all costs and expenses incurred by City associated with and attributable to the curing of the default or breach and such sum shall constitute a part of the indebtedness secured by the City Deeds of Trust.

7.5 Holder to be Notified. Developer agrees to use best efforts to ensure that each term contained herein dealing with security financing and rights of holders shall be either inserted into the relevant deed of trust or mortgage or acknowledged by the holder prior to its creating any security right or interest in the Property or the Improvements.

7.6 Modifications to Agreement. City shall not unreasonably withhold its consent to modifications of this Agreement requested by Project lenders or investors provided such modifications do not alter City's substantive rights and obligations under this Agreement.

7.7 Estoppel Certificates. Either Party shall, at any time, and from time to time, within fifteen (15) days after receipt of written request from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature of any such defaults.

ARTICLE VIII

ENVIRONMENTAL MATTERS

8.1 No City Liability; Developer's Covenants. City shall not be responsible for the cost of any soil, groundwater or other environmental remediation or other response activities for any Hazardous Materials existing or occurring in, on, under or about the Improvements, the Property or any portion thereof. From and after Developer's acquisition of the Property, upon receipt of any notice regarding the presence, release or discharge of Hazardous Materials in, on or under the Improvements, the Property, or any portion thereof, Developer agrees to timely initiate and diligently pursue and complete all appropriate response, remediation and removal actions for the presence, release or discharge of such Hazardous Materials within such deadlines as specified by applicable Environmental Laws. Developer hereby covenants and agrees that commencing upon Developer's acquisition of the Property:

(i) Developer shall not knowingly permit the Project or the Property or any portion of either to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence or release of Hazardous Materials in, on, under, about or from the Project or the Property with the exception of cleaning supplies and other materials customarily used in construction, operation or maintenance of residential property and any commercial uses developed as part of the Project, and used, stored and disposed of in compliance with Hazardous Materials Laws, and

(ii) Developer shall keep and maintain the Project and the Property and each portion thereof in compliance with, and shall not cause or permit the Project or the Property or any portion of either to be in violation of, any Hazardous Materials Laws.

8.2 Environmental Indemnification. Subject to the last sentence of this Section 8.2, commencing upon Developer's acquisition of the Property, Developer shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against any and all Claims including without limitation any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of Hazardous Materials and administrative, enforcement or judicial proceedings resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal or the alleged presence, release,

discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Property, or (ii) the failure of Developer, Developer's employees, agents, contractors, subcontractors, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws or the covenants set forth in Section 8.1 except to the extent that Claims arise as a result of the gross negligence or willful misconduct of Indemnitees. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Property or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this Section 8.2 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. Developer's indemnification obligations set forth in this Section 8.2 shall also apply to Claims arising directly or indirectly as a result of the actions or omissions of Developer or Developer's employees, agents, contractors, subcontractors, or any person acting on behalf of any of the foregoing relating to activity on the Property prior to Developer's acquisition of the Property.

8.2.1 No Limitation. Developer hereby acknowledges and agrees that Developer's duties, obligations and liabilities under this Agreement, including, without limitation, under Section 8.2 above, are in no way limited or otherwise affected by any information the City may have concerning the Property and/or the presence in, on, under or about the Property of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations. It is further agreed that City does not and shall not waive any rights against Developer that it may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

8.3 Hazardous Materials. As used herein, the term "**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601 et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601 et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101 et seq.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901 et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401 et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280 et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300 et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100 et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5 et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000 et seq.], as they now exist or are

hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

8.4 Environmental Laws. As used herein, the term "**Environmental Laws**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. Section 2601 et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601 et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101 et seq.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901 et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401 et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280 et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300 et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100 et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5 et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000 et seq.], as each of the foregoing now exist or are hereafter amended, together with any regulations promulgated thereunder.

ARTICLE IX

DEFAULTS, REMEDIES AND TERMINATION

9.1 Event of Developer Default. The following events shall constitute an event of default on the part of Developer ("**Event of Developer Default**"):

(a) Subject to force majeure, the availability of financing and City's issuance of permits and approvals, Developer fails to commence or complete construction of the Project within the times set forth in Section 3.9, or subject to force majeure, abandons or suspends construction of the Project prior to completion for a period of sixty (60) days or more;

(b) Developer fails to pay when due the principal and interest (if any) payable under either City Note and such failure continues for ten (10) days after City notifies Developer thereof in writing;

(c) A Transfer occurs, either voluntarily or involuntarily, in violation of Article VI;

(d) Developer fails to maintain insurance as required pursuant to this Agreement, and Developer fails to cure such default within ten (10) days;

(e) Subject to Developer's right to contest the following charges pursuant to Section 5.3, if Developer fails to pay prior to delinquency taxes or assessments due on the Property or the Project or fails to pay when due any other charge that may result in a lien on the Property or the Project, and Developer fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien;

(f) Following Developer's acquisition of the Property, a default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property, the Improvements, or Developer's interest therein, and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(g) Any representation or warranty contained in this Agreement or in any application, financial statement, certificate or report submitted to the City in connection with this Agreement or Developer's request for the City Loans proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the City;

(h) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Developer or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Developer or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Developer or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(i) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Developer to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Developer or seeking any arrangement for Developer under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Developer in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Developer;

(j) Developer shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty

(60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property or the Improvements, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(k) The Developer shall have voluntarily suspended its business or Developer shall have been dissolved or terminated;

(l) An event of default arises under any City Document and remains uncured beyond any applicable cure period;

(m) Developer's limited partners fail to contribute equity to the Project in accordance with the schedule therefor in the Partnership Agreement; or

(n) Developer defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 9.1 and unless a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which City shall have given written notice of the default to Developer; provided however, if the default is of a nature that it cannot be cured within sixty (60) days, an Event of Developer Default shall not arise hereunder if Developer commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

9.2 City Default. An event of default on the part of City ("**Event of City Default**") shall arise hereunder if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of thirty (30) days after written notice thereof from Developer to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

9.3 City's Right to Terminate Agreement. If an Event of Developer Default shall occur and be continuing beyond any applicable cure period, then City shall, in addition to other rights available to it under law or this Agreement, have the right to terminate this Agreement. If City makes such election, City shall give written notice to Developer and to any mortgagee entitled to such notice specifying the nature of the default and stating that this Agreement shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this Agreement and all rights of Developer under this Agreement, shall expire and terminate.

9.4 City's Remedies and Rights Upon an Event of Developer Default. Upon the occurrence of an Event of Developer Default and the expiration of any applicable cure period, City shall have all remedies available to it under this Agreement or under law or equity, including, but not limited to the following, and City may, at its election, without notice to or demand upon Developer, except for notices or demands required by law or expressly required pursuant to the City Documents, exercise one or more of the following remedies:

(a) Accelerate and declare the balance of the City Bridge Note and the City Permanent Note and interest accrued thereon immediately due and payable;

(b) Seek specific performance to enforce the terms of the City Documents;

(c) Foreclose pursuant to the City Deeds of Trust;

(d) Pursue any and all other remedies available under this Agreement or under law or equity to enforce the terms of the City Documents and City's rights thereunder.

9.5 Developer's Remedies Upon an Event of City Default. Upon the occurrence of an Event of City Default, in addition to pursuing any other remedy allowed at law or in equity or otherwise provided in this Agreement, Developer may bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking to obtain any other remedy consistent with the purpose of this Agreement.

9.6 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth herein, a Party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential damages.

9.7 Inaction Not a Waiver of Default. No failure or delay by either Party in asserting any of its rights and remedies as to any default shall operate as a waiver of such default or of any such rights or remedies, nor deprive either Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

9.8 Rights of Limited Partners. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to Developer's limited partner(s) in accordance with Section 11.3, at the following address (or such alternate address designated by such limited partner(s) from time to time in a written notice to City):

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

The limited partner(s) shall have the same right as Developer to cure or remedy any default hereunder within the cure period provided to Developer, extended by an additional sixty (60) days.

ARTICLE X

INDEMNITY AND INSURANCE.

10.1 Indemnity. Developer shall indemnify, defend (with counsel approved by City) and hold Indemnitees and HCD harmless from and against any and all Claims, including

without limitation, Claims arising directly or indirectly, in whole or in part, as a result of or in connection with Developer's or Developer's contractors, subcontractors, agents or employees development, construction, improvement, operation, ownership or maintenance of the Project or the Property, or any part thereof or otherwise arising out of or in connection with Developer's performance under this Agreement. Developer's indemnification obligations under this Section 10.1 shall not extend to Claims resulting solely from the gross negligence or willful misconduct of one or more Indemnitees. The provisions of this Section 10.1 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. It is further agreed that City does not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

10.2 Liability and Workers' Compensation Insurance.

(a) Prior to initiating work on the Project and continuing through the issuance of the Certificate of Completion, Developer and all contractors working on behalf of Developer on the Project shall maintain a commercial general liability policy in the amount of One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) annual aggregate, together with Three Million Dollars ($3,000,000) excess liability coverage, or such other policy limits as City may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees and HCD as additional insureds.

(b) Until issuance of the Certificate of Completion, Developer and all contractors working on behalf of Developer shall maintain a comprehensive automobile liability coverage in the amount of One Million Dollars ($1,000,000), combined single limit including coverage for owned and non-owned vehicles and shall furnish or cause to be furnished to City evidence satisfactory to City that Developer and any contractor with whom Developer has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. Automobile liability policies shall name the Indemnitees and HCD as additional insureds.

(c) Upon commencement of construction work and continuing until issuance of a Certificate of Completion, Developer and all contractors working on behalf of Developer shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming City as loss payee. Such insurance shall include coverage for risks of direct physical loss or damage, excluding the perils of earthquake, flood, and earth movement.

(d) Upon completion of construction, Developer shall maintain property insurance covering all risks of loss (other than earthquake and flood) for one hundred percent (100%) of the replacement value of the Project with deductible, if any, in an amount acceptable to City, naming City as loss payee.

(e) Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Commercial General Liability and

comprehensive automobile policies required hereunder shall name the Indemnitees as additional insureds. Builder's Risk and property insurance shall name City as loss payee as its interest may appear.

(f) Prior to commencement of construction work, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal.

(g) If any insurance policy or coverage required hereunder is canceled or reduced, Developer shall, within twenty-one (21) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Developer's expense, and Developer shall promptly reimburse City for such expense upon receipt of billing from City.

(h) Coverage provided by Developer shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the City. Developer shall furnish the required certificates and endorsements to City prior to the commencement of construction of the Project, and shall provide City with certified copies of the required insurance policies upon request of City.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 No Brokers. Each Party warrants and represents to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transactions contemplated by this Agreement. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this Section shall survive the expiration or earlier termination of this Agreement.

11.2 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by either Party shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other Party, acts or failures to act of the City or any other public or governmental agency or entity, or any other cause beyond the affected Party's reasonable control. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of

the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause and such extension is not rejected in writing by the other Party within ten (10) days of receipt of the notice. Neither Party shall unreasonably withhold consent to an extension of time pursuant to this Section 11.2.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Developer and City (acting in the discretion of the City Manager unless he or she determines in his or her discretion to refer such matter to the City Council). City and Developer acknowledge that adverse changes in economic conditions, either of the affected Party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing to complete the work of Improvements shall not constitute grounds of enforced delay pursuant to this Section 11.2. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

11.3 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section 11.3. All such notices shall be sent by:

(i) personal delivery, in which case notice is effective upon delivery;

(ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;

(iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;

(iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a non-business day.

City: The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager
Facsimile: (916) 851-8787

Copy to: The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: Housing Services Administrator

Developer: UHC 00516 Rancho Cordova, L.P.
2000 East Fourth Street, Suite 205

Santa Ana, CA 92705
Attn: Chief Operating Officer
Facsimile: (714) 835 3275

11.4 Attorneys' Fees. If either Party fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties concerning the meaning or interpretation of any provision hereof, then the prevailing Party in any proceeding in connection with such dispute shall be entitled to the costs and expenses it incurs on account thereof and in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

11.5 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the Party granting the extension. This Agreement may be amended or modified only by a written instrument executed by the Parties.

11.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VI, this Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement or under law.

11.7 Survival. All representations made by Developer hereunder and Developer's obligations pursuant to Sections 3.15, 3.18, 3.19, 8.2, 10.1, 11.1 and 11.18 shall survive the expiration or termination of this Agreement and the issuance and recordation of a Certificate of Completion.

11.8 Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

11.9 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to the City Council for consideration.

11.10 Entire Agreement. This Agreement, including Exhibits A through J attached hereto and incorporated herein by this reference, together with the other City Documents contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof, including without limitation, any commitment letter issued by Agency or City with

respect to financing for the Project; that certain Memorandum of Understanding and Exclusive Right to Negotiate darted August 12, 2008, as amended on November 1, 2008; and that certain Owner Participation Agreement dated March 23, 2010.

11.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Party. Any executed counterpart of this Agreement may be delivered to the other Party by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

11.12 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

11.13 No Third Party Beneficiaries. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

11.14 Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

11.15 Non-Liability of Officials, Employees and Agents. No officer, official, employee or agent of City shall be personally liable to Developer or its successors in interest in the event of any default or breach by City or for any amount which may become due to Developer or its successors in interest pursuant to this Agreement.

11.16 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this Agreement, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California.

11.17 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Sacramento County, California or in the Federal District Court for the Eastern District of California.

11.18 General Indemnification. Developer shall indemnify, defend (with counsel approved by City) and hold harmless Indemnitees from all Claims (including without limitation, reasonable attorneys' fees) arising in connection with any claim, action or proceeding to attack, set aside, void, or annul any approval by the City or any of its

agencies, departments, commissions, agents, officers, employees or legislative body concerning the Project or this Agreement. The City will promptly notify Developer of any such claim, action or proceeding, and will cooperate fully in the defense. The City may, within its unlimited discretion, participate in the defense of any such claim, action or proceeding, and if the City chooses to do so, Developer shall reimburse City for reasonable attorneys' fees and expenses incurred.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

CITY

THE CITY OF RANCHO CORDOVA,
a California municipal corporation

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

DEVELOPER

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit
corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings,
LLC, a California limited liability company,
its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit
corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

Exhibit A

LEGAL DESCRIPTION OF PROPERTY
(Attach legal description.)

Exhibit B

FORM OF MEMORANDUM OF LOAN AGREEMENT
(Attach form of Memorandum.)

Exhibit C

FORM OF CERTIFICATE OF COMPLETION
(Attach form of Certificate.)

Exhibit D

FORM OF REGULATORY AGREEMENT
(Attach form of Regulatory Agreement.)

Exhibit E-1

FORM OF BRIDGE NOTE
(Attach form of Bridge Note.)

Exhibit E-2

FORM OF BRIDGE DEED OF TRUST
(Attach form of Bridge Deed of Trust.)

Exhibit E-3

FORM OF ASSIGNMENT AGREEMENT
(Attach form of Assignment Agreement.)

Exhibit E-4

FORM OF ASSIGNMENT OF ARCHITECTURAL AGREEMENTS
(Attach form of Assignment of Architectural Agreements.)

Exhibit E-5

FORM OF ASSIGNMENT OF CONSTRUCTION CONTRACTS
(Attach form of Assignment of Construction Contracts.)

Exhibit F

FORM OF PERMANENT NOTE
(Attach form of Permanent Note.)

Exhibit G

FORM OF PERMANENT DEED OF TRUST
(Attach form of Permanent Deed of Trust.)

Exhibit H

FINANCING PLAN
(Attach Financing Plan.)

Exhibit I

OPTION AGREEMENT
(Attach form of Purchase Option and Right of First Refusal Agreement.)

Exhibit J

RESERVE AGREEMENT
(Attach form of Replacement and Operating Reserve Agreement.)

Exhibit A

LEGAL DESCRIPTION OF PROPERTY

(Attach Legal Description.)

Exhibit B

FORM OF MEMORANDUM OF LOAN AGREEMENT

(Attach form of Memorandum of Loan Agreement.)

EXHIBIT A

Recording Requested by and when Recorded, return to:

The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager

EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE §§6103, 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

MEMORANDUM OF LOAN AGREEMENT

This Memorandum of Loan Agreement (this "**Memorandum**") dated as of _____, 2010, is entered into by and between the City of Rancho Cordova, a California municipal corporation ("**City**") and UHC 00516 Rancho Cordova, L.P., a California limited partnership ("**Developer**"). City and Developer are hereinafter collectively referred to as the "**Parties**."

1. The Parties have entered into that certain Loan Agreement dated as of _____, 2010 (the "**Loan Agreement**"), pursuant to which Developer has agreed to develop certain real property (the "**Property**") located within the City and specifically the Rancho Cordova Redevelopment Project Area and more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

2. Among other conditions, the Loan Agreement provides that by not later than June 30, 2012, Developer shall have completed construction of an affordable housing project on the Property (the "**Project**"), as evidenced by the City's issuance of a final certificate of occupancy, in which at least seventeen (17) units will be rented to eligible households who qualify as Very Low-Income (as defined in the Regulatory Agreement described below) pursuant to the terms of the Loan Agreement and an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants executed by the Parties and the Rancho Cordova Community Redevelopment Agency ("**Regulatory Agreement**") which shall be recorded in Official Records of Sacramento County substantially concurrently herewith.

3. The Loan Agreement further provides that (i) except as permitted by the Loan Agreement, Developer shall not voluntarily or involuntarily make or attempt any total or partial sale, transfer, conveyance, assignment or lease of the whole or any part of Developer's interest in the Property or the improvements located thereon without the prior written approval of the City; and (ii) any transferee of all or part of the Property shall be subject to and shall expressly assume all of the covenants, obligations and restrictions of the Loan Agreement which pertain to the portion of the Property transferred, including without limitation, the provisions of the Regulatory Agreement.

4. In addition, the Loan Agreement provides that the City shall have the exclusive right to use, sell, assign and/or transfer any Renewable Energy Credits and/or Carbon Offset

Credits (collectively, "Credits") produced as a result of the Project's solar photovoltaic generation system that would otherwise accrue to Developer, the Property, or the Project. City shall be entitled to retain all compensation payable in connection with the use, transfer, sale, and/or assignment of such Credits. To the extent possible, City shall use such Credits to benefit the Project before using them for any other purpose. Neither Developer nor any successor in interest to Developer shall have any further right or interest in such Credits. The rights of City pursuant to this grant of Credits shall commence as of the Effective Date and shall run with the land and be binding upon Developer at its successors and assigns.

5. The Parties have executed and recorded this instrument to give notice of the Loan Agreement and the respective rights of the Parties thereunder. Copies of the unrecorded Loan Agreement are available at the offices of the City, 2729 Prospect Park Drive, Rancho Cordova, California 95670, and such document is incorporated by reference in its entirety in this Memorandum. This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Loan Agreement. In the event of any inconsistency between this Memorandum and the Loan Agreement, the Loan Agreement shall control.

6. This Memorandum shall be interpreted and enforced in accordance with California law without regard to principles of conflict of laws. This Memorandum may be executed in counterparts.

7. The Loan Agreement shall bind and inure to the benefit of the Parties and their respective successors and assigns.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first set forth above.

CITY

The City of Rancho Cordova,
a California municipal corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

DEVELOPER

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit
corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings,
LLC, a California limited liability company,
its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

SIGNATURES MUST BE NOTARIZED.

Exhibit A

PROPERTY

(Attach legal description.)

EXHIBIT A

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit C

FORM OF CERTIFICATE OF COMPLETION

(Attach form of Certificate of Completion.)

Recording requested by and when recorded mail to:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Manager

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder's use.

CERTIFICATE OF COMPLETION

This Certificate of Completion (this "**Certificate**") is made by the City of Rancho Cordova, a public body, corporate, and politic ("**Agency**") effective as of _____, 20___.

RECITALS

A. City and UHC 00516 Rancho Cordova, L.P., a California limited partnership ("**Developer**") entered into that certain Loan Agreement (the "**Loan Agreement**") dated as of _____, 2010 concerning the development of certain real property located in Rancho Cordova, California and more particularly described in Exhibit A attached hereto (the "**Property**"). A Memorandum of the Loan Agreement was recorded in the Official Records of Sacramento County ("**Official Records**") as Instrument No._____, Book_____, Page_____. Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

B. Pursuant to Section 3.16 of the Loan Agreement, the City is required to furnish the Developer or its successors with a Certificate of Completion upon completion of development of the Project in accordance with the Loan Agreement.

C. The City has determined that the development of the Project has been satisfactorily completed in accordance with the Loan Agreement.

NOW, THEREFORE, the City hereby certifies as follows:

1. Development of the Project has been satisfactorily completed in conformance with the Loan Agreement.

2. All use, maintenance and nondiscrimination covenants contained in the Loan Agreement shall remain in effect and enforceable in accordance with the Loan Agreement. This Certificate does not constitute evidence of Developer's compliance

with those covenants in the Loan Agreement that survive the issuance of this Certificate, including without limitation, compliance with the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants entered into pursuant to the Loan Agreement and recorded in the Official Records as Instrument No. ___ Book___, Page___.

3. This Certificate does not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a deed of trust securing money loaned to finance the Improvements or any part thereof and does not constitute a notice of completion under California Civil Code Section 3093.

4. Nothing contained in this instrument shall modify any provisions of the Loan Agreement or any other document executed in connection therewith.

IN WITNESS WHEREOF, the City has executed and issued this Certificate of Completion as of the date first written above.

The City of Rancho Cordova,
a California municipal corporation

By: _____***FORM-DO NOT SIGN***_____

Name:_____
Authorized Signatory

ATTEST:

By: _____***FORM-DO NOT SIGN***_____

APPROVED AS TO FORM:

By: _____***FORM-DO NOT SIGN***_____
City Attorney

SIGNATURES MUST BE NOTARIZED.

Exhibit D

REGULATORY AGREEMENT

(Attach form of Regulatory Agreement.)

EXEMPT FROM RECORDING FEES
PER GOVERNMENT CODE §§6103, 27383

Recording requesting by:
and when recorded mail to:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95760
Attention:

_____SPACE ABOVE THIS LINE FOR RECORDER'S USE_____

AFFORDABLE HOUSING REGULATORY AGREEMENT

AND

DECLARATION OF RESTRICTIVE COVENANTS

by and among

THE CITY OF RANCHO CORDOVA,

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA,

&

UHC 00516 RANCHO CORDOVA, L.P.

in respect to

NEIGHBORHOOD STABILIZATION PROGRAM 1

THIS REGULATORY AGREEMENT ("Agreement") is made this _____ day of _____, 2010 ("Effective Date"), between UHC 00516 Rancho Cordova, L.P., a California limited partnership (the "**Owner**"); the City of Rancho Cordova, a California municipal corporation (the "**City**"); and the Community Redevelopment Agency of the City of Rancho Cordova, a public body, corporate and politic (the "**Agency**"). The Owner, the City and the Agency are referred to herein collectively as the "**Parties**."

RECITALS

A. Pursuant to that certain Loan Agreement of even date herewith between Owner and City (the "**Loan Agreement**"), City has agreed to provide a bridge construction loan in

the amount of Three Million Eight Hundred Thousand Dollars ($3,800,000) (the "**Bridge Loan**") to Owner for the construction of a multi-family affordable residential rental project (the "**Project**") on that certain real property owned by Owner and located at 10422 Croetto Way, 10420 Croetto Way, and 2700-2708 Woodberry Way, in the City of Rancho Cordova, California, and more particularly described in Exhibit A attached hereto and made a part hereof (the "**Property**"). The Project consists of eighteen (18) units, of which seventeen (17) units shall be restricted for occupancy by households with incomes at or below fifty percent (50%) of the Area Median Income ("**AMI**") for a period of fifty-five (55) years from issuance of a final certificate of occupancy for the Project, and one (1) unit shall be an unrestricted, non-revenue producing manager's unit.

B. In addition, the Loan Agreement provides for repayment of the Bridge Loan, and the City's provision of permanent financing (the "**Permanent Loan**") for the Project, from a grant in the amount of Four Million, Six Hundred Twenty One Thousand, One Hundred Eighty Dollars ($4,621,180) from the California Department of Housing and Community Development ("**HCD**") made to the City pursuant to the Neighborhood Stabilization Program 1, including both NSP 1 tier 1 and tier 3 funds (collectively, "**NSP 1 Program**").

C. The Property and the Project are located in the Rancho Cordova Redevelopment Project Area (the "**Project Area**"). Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (the "**CRL**"), Agency has responsibility to implement the redevelopment plan adopted by the City Council of the City by Ordinance No. 43-2006 (as subsequently amended, the "**Redevelopment Plan**") for the Project Area.

D. The Permanent Loan is being made pursuant to the NSP 1 Program, established and governed by Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) and Federal Regulations published at Federal Register Vol. 73, No. 194, October 6, 2008, commencing at page 58330, and any amendments thereto.

E. The Bridge Loan and the Permanent Loan are each evidenced by a separate Promissory Note and Deed of Trust of even date herewith. The Loan Agreement, Promissory Notes, Deeds of Trust, and this Agreement are collectively referred to herein as the "**Loan Documents**." The Deeds of Trust shall be recorded in the Official Records of Sacramento County ("**Official Records**") concurrently herewith.

F. As a condition of receiving the Bridge Loan and Permanent Loan, Owner agrees to place specified restrictions upon the use and transfer of the Property, including without limitation the restrictions referenced in Recital A and restrictions found at 24 CFR 92.252. It is the intent of the Parties to evidence the Owner's compliance with the requirements of the NSP 1 Program and to place such restrictions upon the use and transfer of the Property in order to ensure continued Project affordability, as required by NSP 1 Program. In addition, to the extent permitted by the CRL, this Agreement is intended to enable the Agency to count the seventeen (17) restricted units in the Project toward satisfaction of the Agency's housing production obligation under CRL Section

33413(b)(2).

G. The Parties intend that the covenants set forth in this Agreement shall run with the land and be binding upon Owner and Owner's successors and assigns as further provided herein.

H. Capitalized terms not defined herein, if any, shall have the meaning ascribed to them in the Loan Agreement.

NOW THEREFORE, in consideration of the Loan and other valuable consideration, the Parties covenant and agree as follows:

1. Definitions

"**Actual Household Size**" means the actual number of persons in the applicable household.

"**Adjusted for Family Size Appropriate for the Unit**" shall be determined consistent with Section 50052.5(h) of the California Health and Safety Code and applicable federal rules, if any.

"**Affordable Rent**" means thirty percent (30%) of fifty percent (50%) of Area Median Income, Adjusted for Family Size Appropriate for the Unit.

"**Area Median Income**" or "**AMI**" means the median income for Sacramento County, adjusted for Actual Household Size, as published from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the United States Housing Act of 1937.

"**Eligible Household**" means a household for which household income upon initial occupancy does not exceed the maximum income level for a Restricted Unit.

"**Rent**" means all charges, other than deposits, paid by a tenant for the use and occupancy of a Restricted Unit and any mandatory charge for direct or supportive tenant services in a rental housing development, including a utility allowance in an amount determined by the local Housing Authority with jurisdiction over the Project.

"**Restricted Unit**" means one of the seventeen (17) dwelling units in the Project that are reserved for occupancy by a Very Low-Income Household.

"**Standard Agreement**" means that certain NSP Standard Agreement #09-NSPR-6565 between the City and HCD, including all Exhibits thereto.

"**Term of this Agreement**" means the period through the fifty-fifth (55^{th})

anniversary of the issuance of the final certificate of occupancy for the Project.

"**Very Low-Income Household**" means a household whose gross income does not exceed fifty percent (50%) of the Area Median Income, adjusted for Actual Household Size.

2. Affordability Restrictions and Unit Schedule

a. Upon issuance of a final certificate of occupancy and for the entire Period of Affordability (as defined in Section 8, below), the Project shall be rented to, at a Rent no greater than Affordable Rent, and occupied by (or if vacant, available for occupancy by) Very Low-Income Households, according to the following schedule of Restricted Units:

	1 Bedroom	2 bedroom	3 bedroom	4 bedroom
At or Below 50% AMI		11	6	

b. Pursuant to the requirements of the CRL, Owner and Agency shall execute a Notice of Affordability Restrictions on Transfer of Property substantially in the form attached hereto as Exhibit C and shall cause such notice to be recorded in the Official Records substantially concurrently with the recordation of this Agreement.

c. Developer covenants and agrees to use best efforts to cooperate with City and the Sacramento Housing and Redevelopment Agency ("**SHRA**") in making available to SHRA public housing tenants up to five (5) units in the Project, in exchange for Project-based rental assistance; provided, however, that if Developer is unsuccessful in receiving Project-based rental assistance for one or more units, the City shall pay, after the Shortfall Reserve is depleted, the difference between the fair market rent for the relevant unit(s) and the amount of rent that the tenant pays for the relevant unit(s) plus incremental fees to third parties, if any, incurred based on a higher amount of Project-based rental assistance payments such as management fees and investor fees or, if the amount of the Project-based rental assistance for one or more units is less than the amount identified in the Financing Plan, the City shall pay, after the Shortfall Reserve is depleted, the difference between the fair market value for the relevant unit(s) and the amount of the Project-based rental assistance for the relevant unit(s) plus incremental fees to third parties, if any, incurred based on a higher amount of Project-based rental assistance payments such as management fees and investor fees. Notwithstanding anything to the contrary contained herein, the annual sum of Project-based rental assistance, payments from the Shortfall Reserve, and payments made by the City pursuant to this Section 2c shall not be less than Forty One Thousand Two Hundred Twenty Dollars ($41,220) in the Project's first year. The minimum sum of Project-based rental assistance, payments from the Shortfall Reserve, and payments made by the City pursuant to this Section 2c shall increase annually at a rate of 2.5%

per annum each subsequent year, as reflected in the Financing Plan. Notwithstanding the foregoing, City shall have no obligation to cover any operating shortfalls in an amount that exceeds the amount of the annual Project-based rental assistance reflected in the Financing Plan.

3. Tenant Selection Standards

During the Period of Affordability the Owner shall select tenants in conformance with the requirements of California Code of Regulations, Title 25, Division 1, Chapter 7, Subchapter 19, Section 8305.

a. Owner shall rent vacant Restricted Units only to Eligible Households in accordance with a Management Plan approved by City. Such Management Plan may be periodically altered and such alteration must be submitted to and approved by City prior to use. The Management Plan shall include:

(1) Reasonable criteria for selection or rejection of tenant applications which shall not discriminate in violation of any federal, state or local law governing discrimination, or any other arbitrary factor;

(2) Prohibition of local residency preferences, except where accompanied by an equal preference for employment in the local area and applied to areas not smaller than municipal jurisdictions or recognized communities within unincorporated areas;

(3) Tenant selection procedures that include the following components, and that are available to prospective tenants upon request:

(A) Selection of tenants based on order of application, lottery or other reasonable method approved by City;

(B) Prompt written notification to tenant applicants of eligibility for residency and, based on turnover history for Restricted Units, the approximate date when a Restricted Unit may be available;

(C) Prompt written notification of tenant applicants who are found ineligible to occupy a Restricted Unit of their ineligibility and the reason for the ineligibility, and of their right to appeal this determination;

(D) Maintenance of a waiting list of applicant households eligible to occupy Restricted Units designated for various tenant income levels, which shall be made available at no charge to prospective tenants upon request;

(E) Targeting specific special needs populations in accordance with this Agreement and applicable laws; and

(F) Affirmative fair housing marketing procedures as specified in the Affirmative Fair Housing Marketing Plan Compliance Regulations of HUD, 24 CFR Part 200.620(a)-(c), or similar affirmative fair marketing housing plan as approved by City.

b. Owner shall rent vacant Restricted Units to households with no less than the number of people specified in the following schedule:

Unit Size	Minimum Number of Persons in Household
2-BR	2
3-BR	4

Owner may assign tenant households to Restricted Units of sizes other than those indicated as appropriate in the table above if Owner reasonably determines that special circumstances warrant such an assignment and the reasons are documented in the tenant's file. Owner's determination is subject to approval by City. Through the Management Plan, Owner may receive advance approval of categorical exceptions to the above schedule.

4. Certification of Tenant Income & Household Size

a. The income and household size of all households occupying Restricted Units shall be certified by Owner prior to occupancy and recertified annually thereafter in a manner approved by City and specified in the Project's Management Plan.

b. If the income of a tenant upon recertification exceeds the upper limit for households at or below fifty percent (50%) of AMI, the tenant must pay as rent the lesser of the amount payable by the tenant under state or local law or thirty percent (30%) of the household's adjusted monthly income for rent and utilities; except that the rent may not exceed the market rent for comparable, unassisted units in the neighborhood; provided however, that pursuant to 24 CFR § 92.252(i)(2), Restricted Units subject to a California Tax Credit Allocation Committee ("**CTCAC**") Regulatory Agreement shall be governed by such agreement with respect to tenants who upon recertification no longer qualify as Very Low-Income Households.

c. If at the time of recertification a tenant's household size has changed and no longer meets the occupancy standards pursuant to Section 3b, Owner may require the tenant to move to the next available appropriately sized unit.

5. Marketing Plan

a. Not later than thirty (30) days prior to the anticipated date of issuance of a certificate of occupancy for the Project, Owner shall prepare a Marketing Plan for City's review and approval, and shall implement such plan as approved by the City. The Marketing Plan shall specify how Owner intends to market the Project to prospective tenants in the Project's market area in accordance with fair housing laws and this Agreement. The Marketing Plan shall specifically address how Owner intends to market the Project to underserved populations in the Project's market area and the frequency of marketing efforts. City agrees that Owner may utilize the HUD 935.2 Affirmative Fair Housing Marketing Plan for these purposes.

b. Owner agrees to evaluate the effectiveness of the Marketing Plan in reaching underserved populations on an annual basis and to revise it as necessary to better reach underserved populations that are not being reached. Any revised Marketing Plan shall be submitted to City for approval prior to implementation.

6. Unit Standards

For the full loan term, the number, size, type, and amenity level of Restricted Units shall not be fewer than the number nor different from the size, type and amenity level described in Section 2 and Recital A, above.

7. Rental Agreement and Grievance Procedures

The rental agreement and grievance procedures shall be in accordance with California Code of Regulations, Title 25, Division 1, Chapter 7, Subchapter 19, Section 8307.

a. One-year Term All rental or occupancy agreements shall be for a term of not less than one (1) year unless by mutual agreement between the tenant and Owner.

b. City Approval All rental or occupancy agreements are subject to City approval; and shall include the following:

1. Provisions requiring good cause for termination of tenancy;

2. A provision requiring that the facts constituting the grounds for any eviction be set forth in the notice provided to the tenant pursuant to state law;

3. A notice of grievance procedures for hearing complaints of tenants and appeal of management action; and

4. A requirement that the tenant annually recertify household income and size.

c. Termination of Tenancy Owner shall not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause.

d. Written Notice To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant in compliance with State law, specifying the grounds for the action, and served at least thirty (30) days prior to the termination of the tenancy.

e. "Good Cause" One or more of the following, without limitation, may constitute "good cause":

1. Failure by the tenant to maintain applicable eligibility requirements under the NSP 1 Program or other eligibility requirements as imposed by City or other state or federal funding sources or tax credits;

2. Material noncompliance by the tenant with the lease, including one or more substantial violations of the lease or habitual minor violations of the lease which:

A. Adversely affect the health and safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related Project facilities;

B. Substantially interfere with the management, maintenance, or operation of the Project; or

C. Result from the failure or refusal to pay, in a timely fashion, Rent or other permitted charges when due. Failure or refusal to pay in a timely fashion is a minor violation if payment is made during the three- (3-) day notice period;

3. Material failure by the tenant to carry out obligations under federal, State, or local law;

4. Subletting by the tenant of all or any portion of any Project Unit;

5. Any other action or conduct of the tenant constituting significant problems which can be reasonably resolved only by eviction of the tenant, provided Owner has previously notified the tenant that the conduct or action in question would be considered cause for eviction. Examples of action or conduct in this category include the refusal of a tenant, after written notice, to accept reasonable rules or any reasonable changes in the lease or the refusal to recertify income or household size.

6. Notwithstanding the foregoing, if any part of this Section 7(e) is determined to not be "good cause" pursuant to Section 42 of the Internal Revenue Code of 1986, Section 42 of the Internal Revenue Code of 1986 shall control

f. Prohibited Lease Provisions The lease may not contain any of the following provisions:

1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of Owner or Owner's agent in a lawsuit brought in connection with the lease;

2. Agreement by the tenant that Owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, shall not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Owner may dispose of this personal property in accordance with State law;

3. Agreement by the tenant not to hold Owner or Owner's agent(s) legally responsible for any action or failure to act, whether intentional or negligent;

4. Agreement of the tenant that Owner or Owner's agent may institute a lawsuit without notice to the tenant;

5. Agreement by the tenant that Owner or Owner's agent may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

6. Agreement by the tenant to waive any right to a trial by jury;

7. Agreement by the tenant to waive tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

8. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

g. Rules of Conduct Owner shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and NSP 1 regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any changes shall become effective no fewer than thirty (30) days after giving written notice thereof to each tenant household.

h. Appeal & Grievance Procedures Owner shall adopt an appeal and grievance procedure to resolve grievances filed by tenants and appeals of actions taken by Owner with respect to tenants' occupancy in the Project, and prospective tenants' applications for occupancy. Owner's appeal and grievance procedures shall be subject to City's approval and, at a minimum, shall include the following:

1. A requirement for delivery to each tenant and applicant of a written copy of the appeal and grievance procedure;

2. Procedures for informal dispute resolution;

3. A right to a hearing before an impartial body, which shall consist of one or more persons with the power to render a final decision on the appeal or grievance; and

4. Procedures for the conduct of an appeal or grievance hearing and the appointment of an impartial hearing body.

8. Period of Affordability

Owner acknowledges that the Permanent Loan is being made to Owner under the terms and conditions of the NSP 1 Program as part of a public program to ensure affordable housing for Project tenants. To preserve affordability of the Restricted Units, Owner covenants that the Restricted Units shall remain affordable for a period of fifty-five (55) years (hereinafter referred to as the "**Period of Affordability**") from the date of "Project Completion" as specified at 24 CFR 92.2. It is intended by the parties to this Agreement, that this covenant shall run with the land in accordance with the provisions of 24 CFR 92.252, with the benefit of this covenant running to the City and the Agency, in order to preserve the public interest in maintaining the affordability of the Restricted Units. The Period of Affordability will remain without regard to the term of any mortgage or the transfer of the Property ownership, other than by foreclosure or deed in lieu of foreclosure.

9. Restrictions on Sale, Transfer or Conversion

a. Upon any sale or transfer, including transfer by gift, devise, descent, foreclosure, assignment, deed in lieu of foreclosure, condemnation, or voluntary or involuntary bankruptcy, of the Property without the prior written approval of City, all principal, interest and costs then owing upon the Loan(s) will become immediately due and payable to City.

b. City may approve a sale, transfer or conveyance of the Property provided that all of the following conditions are met: (I) the existing Owner is in compliance with this Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of this Agreement; (ii) the successor-in-interest to Owner agrees to assume all obligations of the existing Owner pursuant to this Agreement and the NSP 1 Program; (iii) the successor-in-interest demonstrates to City's satisfaction that it can own and operate the Project in full compliance with all NSP 1 Program requirements; and (iv) City determines, in the sole exercise of its reasonable discretion, that no terms of the sale transfer or conveyance threaten City's security or the successor's ability to comply with all requirements of the NSP 1 Program and this Agreement.

c. Owner shall not convert the Project to condominium or cooperative ownership or sell condominium or cooperative rights to the Project or any part thereof during the Period of Affordability.

d. Nothing contained in this Section 9 shall prohibit the transfer of the Property or Owner's interest therein that is permitted under Article VI of the Loan Agreement.

10. Restrictions on Encumbrances.

Owner covenants that Owner has not, and shall not enter into or execute any other agreement with provisions contrary to the provisions of this Agreement, or contrary to the intent of maintaining the affordability of the Property for the full Period of Affordability described in Section 8, above; provided, however, that Owner may, without the written consent of City, enter into a Regulatory Agreement with the California Tax Credit Allocation Committee ("CTCAC") with regard to tax credits. In all cases, the provisions of 24 CFR 92.252(e) shall continue to apply to the Project. Owner further covenants that it has not, and shall not, otherwise encumber the Property, including without limitation by way of mortgage or deed of trust, or by judgment, mechanic's, tax or other lien without City's prior written consent.

11. Reserve Accounts

In compliance with the NSP 1 Program, capitalized reserve accounts totaling Two Hundred Seventy Seven Thousand Two Hundred Eighteen Dollars ($277,218),, including a Permanent Operating Reserve Account in the amount of not less than One Hundred Ninety Three Thousand Seven Hundred Forty Seven Dollars ($193,747), a Shortfall Reserve Account in the amount of Eighty Three Thousand Four Hundred Seventy One Dollars ($83,471) and a Replacement Reserve Account, shall be established, funded and maintained by Owner. Reserves for replacement shall be in accordance with the requirements of the NSP 1 Program and as required by any senior lender or CTCAC. In Years 1 through 5, the annual deposit to the Replacement Reserve Account shall be in the amount of Five Hundred Dollars ($500) per unit per year. The annual deposit amount for Years 6 through 55 shall be based on a third-party physical needs assessment to be prepared at the Owner's expense every five (5) years from the Effective Date, assessing the replacement needs of the Project. The Parties acknowledge that HCD may adjust the amount of monthly deposits in the Replacement Reserve Account as provided in the Standard Agreement.

12. Non-Discrimination; Compliance with Fair Housing Laws

a. Fair Housing. Owner shall comply with State and Federal fair housing laws in the marketing and rental of the units in the Project.

b. Non-Discrimination. Owner shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Owner covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof. Owner shall include such provision in all deeds, leases, contracts and other instruments executed by Owner, and shall enforce the same diligently and in good faith.

All deeds, leases or contracts made or entered into by Owner, its successors or assigns, as to any portion of the Property or the Improvements shall contain the following language:

(1) In Deeds, the following language shall appear:

"Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land."

Notwithstanding the above paragraph, with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(2) In Leases, the following language shall appear:

"The lessee herein covenants by and for the lessee and lessee's heirs, personal representatives and assigns, and all persons claiming under the lessee or through the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination of segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased."

Notwithstanding the above paragraph, with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and

Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(3) In Contracts

"There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land."

13. Default and Remedies

a. Events of Default The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") hereunder:

(1) The occurrence of a transfer, sale or conversion in violation of Section 9 hereof or an encumbrance in violation of Section 10 hereof;

(2) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("Bankruptcy Law"), Owner or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Owner or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Owner or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(3) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Owner to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Owner or seeking any arrangement for Owner under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Owner in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Owner;

(4) Owner shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the

property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the property or the improvements thereon, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(5) Owner shall have voluntarily suspended its business or Owner shall have been dissolved or terminated; or

(6) Any material breach by Owner or any of its successors of any representation, warranty or covenant hereunder, which is not cured within thirty (30) days after notice thereof given by the City or Agency, or, if a cure is not possible within thirty (30) days, where cure is not commenced within thirty (30) days and thereafter diligently prosecuted to completion.

b. Remedies If an Event of Default occurs under this Agreement or the Loan Documents, City or Agency, as applicable, may give written notice to the Owner by certified mail or any express delivery service with a delivery receipt requested. If the breach or violation is not cured to the satisfaction of the Party so notifying Owner within the time period specified in the notice, which shall not be fewer than thirty (30) days, the notifying Party may declare a default and may seek legal remedies including the following:

(1) Collect all rents and income in connection with the operation of the Project and use the same and the reserve funds for the operation and maintenance of the Project.

(2) Take possession of the Project and bring any action necessary to enforce any rights of the Owner arising from the operation of the Project, and operate the Project in accordance with the terms of this Agreement until such time as the City (or Agency), in its sole discretion, shall determine that the Owner is again in a position to operate the Project in accordance with the terms of this Agreement.

(3) Apply to the applicable state or federal court for an order of specific performance of this Agreement, or for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, or for such other relief as may be appropriate. It is agreed by the Owner that the injury to the City and Agency arising from a default under any of the terms of this Agreement would be irreparable, and that the amount of compensation which would provide adequate relief to the City and Agency, in light of the purposes of the NSP 1 Program, would be impossible to ascertain.

(4) Accelerate all amounts, including outstanding principal and interest, due under the Bridge Loan or Construction Loan, as applicable, and demand immediate repayment thereof. Upon a failure to repay such accelerated amount in full, the City

may proceed with a foreclosure in accordance with the provisions of the Deed of Trust and State law regarding foreclosures.

(5) The City may seek such other remedies as may be available under law or equity.

(6) In the event that the breach or violation involves the rents to tenants or other charges in excess of those permitted under this Agreement, the City or Agency may demand, and seek as an additional remedy, the return of such excess rents or other charges to the affected households.

c. Remedies Cumulative The remedies of the City and Agency hereunder are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the City or Agency of any one or more of its other remedies.

d. Rights of Limited Partners. Owner's limited partners shall have the right to cure any default of Owner hereunder upon the same terms and conditions afforded to Owner. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to Developer's limited partner(s) at the following address (or such alternate address designated by such limited partner(s) from time to time in a written notice to City):

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

As to the limited partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 11.3 of the Loan Agreement.

14. Interpretation of Affordability

It is the intention of the parties to this Agreement that affordability be interpreted in view of the express goals of the NSP 1 Program established and governed by Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) and Federal Regulations published at Federal Register Vol. 73, No. 194, October 6, 2008, commencing at page 58330, and any amendments thereto. It is the purpose of this Agreement to limit and restrict use and resale of the Property in order to maintain the Project's affordability for the entire Period of Affordability.

15. Recordkeeping and Reports

Owner or the management agent designated by Owner, as approved by City, will be responsible for recordkeeping and reports, including those required to comply with Fair Housing and Equal Opportunity requirements, as may be required by HCD. The management agent will establish and maintain a comprehensive system of records, books, and accounts in a manner conforming to the directives of Owner in order to assist City in meeting Federal and State recordkeeping and reporting requirements. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of City. All such records and books shall be kept for a period of at least seven (7) years in a manner designed to protect them from destruction or tampering, and shall be subject to inspection and audit by the City or Agency, or their respective authorized agents.

16. Maintenance & Management

a. Owner is solely and specifically responsible for all maintenance, repair, and management functions for the Project, including without limitation, selection of tenants, certification and recertification of household income and size, evictions, collection of rents, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. Owner shall maintain units and common areas in a safe and sanitary manner in accordance with local health, building, and housing codes, HUD housing quality standards pursuant to 24 CFR 882.109. Neither City nor Agency shall have any responsibility for management or maintenance of the Property or the Project, but shall have the remedies provided for in Section 13 hereof, which they may exercise at their option as applicable.

b. Owner may contract with a management agent for the performance of the services or duties required in Section 16a above. However, doing so shall not relieve Owner of responsibility for proper performance of said duties. Any such contract shall contain a provision allowing Owner to terminate the contract without penalty with no more than thirty (30) days notice. Upon determination by City or Agency and notice to Owner that the contracted management agent has failed to operate the Project in accordance with this Agreement, Owner shall exercise such right of termination forthwith and shall immediately make arrangements, subject to City/Agency approval, for continuing performance of the requirements of this Agreement.

c. If Owner operates the Project directly without contracting with a management agent and City or Agency determines that the Project is not being operated in accordance with this Agreement, City or Agency may provide notice to Owner thereof, and may require Owner to contract with a management agent to operate the Project, or to make such other arrangements as City/Agency deems necessary to ensure performance of the requirements of this Agreement.

17. Inspections

a. Owner shall allow City or Agency access to the Project to conduct inspections on an annual basis, or more frequently, with fourteen (14) days written notice to Owner.

b. Owner shall provide tenants with a minimum of twenty-four (24) hours written notice prior to seeking access to a tenant unit for inspection purposes. In said notice, Owner shall clearly inform tenant of the purposes of the inspection.

18. Hazard & Liability Insurance

a. Owner shall at all times keep the development insured against loss by fire, flood (as required pursuant to 24 CFR 92.358), and other such hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as set forth in Exhibit B attached and made part hereof. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to City. Property insurance policies shall name City and HCD as additional insureds in a manner approved by City.

b. Insurance proceeds and condemnation awards for any loss to or taking of the Project, or any portion thereof, shall be applied or utilized by Owner as provided in the Deeds of Trust executed by Owner and referred to in Recital E hereof.

19. Governing Law

This Agreement shall be construed in accordance with and be governed by the laws of the State of California.

20. Successors and Assigns

This Agreement and all the covenants, promises, and agreements contained in it shall be binding on and inure to the benefit of the Parties and their respective legal and personal representatives, devisees, heirs, successors, and assigns.

21. Severability

If any provision of this Agreement shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby unless, in the sole discretion of City, the invalidity, or unenforceability of the provision negates the NSP 1 Program purpose and/or threatens the security for the City's Bridge Loan or Permanent Loan.

22. Venue

If any Party to this Agreement initiates any legal or equitable action to enforce the terms of this Agreement, to declare the rights of the parties under this Agreement, or which relates to this Agreement in any manner, the Parties agree that the proper venue for any such action is the Superior Court of the State of California of and for the County of Sacramento or in the United States District Court for the Eastern District of California, as applicable.

23. Costs of Enforcement

Owner agrees to pay any and all of City's or Agency's costs with respect to enforcement of this Agreement, including City's or Agency's reasonable attorneys' fees, costs and expenses.

24. Counterparts/Originals

This Agreement may be executed in counterparts, each of which shall be an original and all of which together shall constitute one (1) entire Agreement.

24. Amendment

This Agreement shall not be altered or amended except in a writing executed by the Parties.

25. No Waiver

No waiver by the City or Agency of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach or default hereunder.

26. Captions

The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement.

27. Parties Not Co-Venturers

Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

28. Notice

Written notices and other written communications between the Parties shall be addressed to their principal place of business unless or until a Party communicates in writing to the other party that a different address should be used.

29. Hold Harmless

Except to the extent arising from the City's or the Agency's willful misconduct, Owner agrees to indemnify, defend and hold harmless HCD, the City and the Agency, and their respective agents, employees and officers (collectively, "**Indemnitees**") from and against any and all claims, losses, liabilities, causes of action or costs (including reasonable attorneys' fees) arising from or in connection with Owner's development, management, maintenance or operation of the Project.

30. Compliance With Standard Agreement Terms and Conditions

Owner has received a copy of and has reviewed the Standard Agreement including Exhibits A through G thereto, incorporated herein by this reference, and to the extent applicable to Owner, hereby agrees to comply with all of the terms and conditions therein.

31. Affordability Protocols

To the extent that State, Federal and local laws and regulations may conflict with respect to household income levels, rent levels, or similar provisions relating to affordability of the Project, the Parties acknowledge and agree that the intent of this Agreement is to provide the maximum affordability restrictions.

SIGNATURES ON FOLLOWING PAGE.

By signing below, Owner accepts and agrees to the terms and covenants contained in this Agreement.

CITY:
The City of Rancho Cordova,
a California municipal corporation

By: _____

Name: _____

Title: _____

AGENCY:
The Community Redevelopment Agency of the City of Rancho Cordova,
a public body, corporate and politic

By: _____.

Name: _____

Title: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

OWNER:

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit
corporation, its Managing General
Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 2010, before me, _____ personally appeared _____ who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____(Seal)

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 2010, before me, _____ personally appeared _____ who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____(Seal)

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 2010, before me, _____ personally appeared _____ who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____(Seal)

EXHIBIT A

PROPERTY

(Attach Legal Description.)

Exhibit E-1

BRIDGE NOTE

(Attach form of Bridge Note.)

SECURED PROMISSORY NOTE

(Bridge Loan)

$3,800,000 Rancho Cordova, California
_____, 2010

FOR VALUE RECEIVED, UHC 00516 Rancho Cordova, L.P., a California limited partnership ("Borrower") promises to pay to the City of Rancho Cordova, a California municipal corporation ("City") in lawful money of the United States of America, the principal sum of Three Million Eight Hundred Thousand Dollars ($3,800,000) or so much thereof as may be advanced by City from time to time pursuant to the Loan Agreement referred to below, in the manner provided below, together with interest on the outstanding principal balance in accordance with the terms and conditions provided herein. Interest shall accrue on the outstanding principal balance at a rate equal to three and one quarter percent (3.25%) plus current London Inter Bank Offered Rate (**"LIBOR"**) of seventy seven one hundredths of one percent (.77%) for a total interest rate, to be fixed for life of construction, at four and two tenths of one percent (4.02%) per annum compounded daily, at a rate of one three hundred and sixtieth fifth of the annual rate (4.02% divided by 365), commencing upon the date of disbursement thereof. Interest shall be calculated on the basis of a year of 365 days and charged for the actual number of days elapsed. Notwithstanding anything to the contrary herein, the total amount of interest accrued pursuant to this Bridge Note shall not exceed Eighty Thousand Dollars ($80,000) , the amount budgeted for such expense in the Financing Plan, unless there are Excess Proceeds (as defined in the Permanent Loan Note) available pursuant to Section 1.3 of the Permanent Loan Note to pay any interest accrued pursuant to the Bridge Note in excess of such figure.

This Secured Promissory Note (this "Note") has been executed and delivered pursuant to and in accordance with the Loan Agreement, dated as of the date hereof, and executed by and between Borrower and City (the "Loan Agreement"), and is subject to the terms and conditions of the Loan Agreement which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

This Note is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Deed of Trust") dated as of the date hereof, executed by Borrower for the benefit of City and encumbering the property described therein. City shall be entitled to the benefits of the security provided by the Deed of Trust and shall have the right to enforce the covenants and agreements contained herein, in the Deed of Trust, the Loan Agreement, the Regulatory Agreement and the other City Documents. The Regulatory Agreement shall remain effective for the full term thereof and shall survive the repayment of this Note.

1. PAYMENTS

1.1 PAYMENT DATES; MATURITY DATE. Periodic payments on this Note shall be due and payable on a quarterly basis as NSP Grant Proceeds are disbursed by the State Department of Housing and Community Development ("HCD") and/or Net Investor Equity (as defined in the Loan Agreement) is contributed pursuant to Borrower's agreement of limited partnership. In no event shall any amount due under this Note become subject to any rights of offset, deduction or counterclaim on the part of Borrower. The entire outstanding principal balance of this Note together with accrued interest shall be due and payable on the later of (i) the date upon which HCD makes the final disbursement of NSP Grant Proceeds available to City, or (ii) the date upon which the final equity contribution is made to the Developer by Developer's limited partners pursuant to the Partnership Agreement. In the event, however, that in no event shall such payment of the Bridge Note outstanding principal balance and accrued interest be made more than thirty-six (36) months from City's issuance of the Notice of Completion or equivalent notice for the Project.

1.2 DUE ON SALE. The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 6.2 of the Loan Agreement) absent City consent, of all or any part of the Project or the Property or any interest therein other than a Transfer permitted without City consent pursuant to the Loan Agreement. Without limiting the generality of the foregoing, this Note shall not be assumable without City's prior written consent, which consent may be granted or denied in City's sole discretion.

1.3 PREPAYMENT. Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Regulatory Agreement shall remain in full force for the entire term thereof regardless of any prepayment of this Note.

1.4 MANNER OF PAYMENT. All payments of principal and interest on this Note shall be made to City at 2729 Prospect Park Drive, Rancho Cordova, California 95670 or such other place as City shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by City in writing.

2. DEFAULTS AND REMEDIES.

2.1. EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("Event of Default"):

(a) Borrower fails to pay when due the principal and interest payable hereunder and such failure continues for ten (10) days after City notifies Borrower thereof in writing.

(b) Borrower fails to use Loan Proceeds in accordance with Borrower's request for disbursement of Loan Proceeds

(c) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("Bankruptcy Law"), Borrower or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(d) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

(e) The occurrence of a Transfer in violation of Article VI of the Loan Agreement.

(f) A default arises under any debt instrument secured by a mortgage or deed of trust on the Project or the Property and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

(g) Borrower fails to maintain insurance on the Property and the Project as required pursuant to the City Documents and Borrower fails to cure such default within ten (10) days.

(h) Subject to Borrower's right to contest the following charges pursuant to the City Documents, if Borrower fails to pay taxes or assessments due on the Property or the Project or fails to pay any other charge that may result in a lien on the Property or the Project, and Borrower fails to cure such default within thirty (30) days, but in all events before the imposition of any such tax or other lien.

(i) If any representation or warranty contained in any City Document, or any certificate furnished in connection therewith, or in connection with any request for disbursement of the proceeds of the Loan proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the City.

(j) An Event of Default shall have been declared under the Loan Agreement, the Regulatory Agreement or any other City Document and remains uncured beyond the expiration of the applicable cure period.

2.2 REMEDIES. Upon the occurrence of an Event of Default hereunder, City may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to City under this Note and the other City Documents, including without limitation the right to pursue foreclosure under the Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of City including, without limitation, reasonable attorneys' fees, incurred in connection with City's enforcement of this Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the Deed of Trust. The rights and remedies of City under this Note shall be cumulative and not alternative.

2.3 DEFAULT RATE. Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of ten percent (10%) per annum or the maximum rate permitted by law (the "Default Rate"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this Note or prevent City from exercising any of its other rights or remedies.

2.4 LIMITED PARTNERS RIGHT TO CURE. Borrower's limited partners shall have the right to cure any default of Borrower hereunder upon the same terms and conditions afforded to Borrower. The City shall provide any notice of default hereunder to the limited partners concurrently with the provision of such notice to Borrower, at the following address (or such alternate address as the limited partners may designate from time to time in a written notice to the City);

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

As to the limited partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 11.3 of the Loan Agreement.

Any cure tendered by a limited partner of Borrower shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if tendered by Borrower.

3. MISCELLANEOUS

3.1 WAIVERS; AMENDMENTS; BORROWER'S WAIVERS. No waiver by City of any right or remedy under this Note shall be effective unless in a writing signed by City. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by City will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by City will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of City to take further action without notice or demand as provided in this Note. There shall be no amendment to or modification of this Note except by written instrument executed by Borrower and City.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

3.2 NOTICES. Any notice required or permitted to be given hereunder shall be given in accordance with Section 11.3 of the Loan Agreement.

3.3 SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW; VENUE. This Note shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Any legal action filed in connection with this Note shall be filed in the Superior Court of Sacramento County, California, or in the Federal District Court for the Eastern District of California.

3.5 PARTIES IN INTEREST. This Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of City and its successors and assigns.

3.6 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation.

3.7 RELATIONSHIP OF THE PARTIES. The relationship of Borrower and City under this Note is solely that of borrower and lender, and the loan evidenced by this Note and secured by the Deed of Trust will in no manner make City the partner or joint venturer of Borrower.

3.8 TIME IS OF THE ESSENCE. Time is of the essence with respect to every provision of this Note.

3.9 NONRECOURSE. Except as expressly provided in this Section 3.9, neither Borrower nor its partners shall have personal liability for payment of the principal of, or interest on, this Note, and the sole recourse of City with respect to the payment of the principal of, and interest on, this Note shall be to the Project, the Property and any other collateral held by City as security for this Note; provided however, nothing contained in the foregoing limitation of liability shall:

(A) impair the enforcement against all such security for the Loan of all the rights and remedies of the City under the Deed of Trust and any financing statements City files in connection with the Loan as each of the foregoing may be amended, modified, or restated from time to time;

(B) impair the right of City to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable City to enforce and realize upon the Deed of Trust, the interest in the Project and the Property created thereby and any other collateral given to City in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

(C) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Loan as a demand for money within the meaning of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto;

(D) constitute a waiver of any right which City may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to City hereunder or to require that the Project and the Property shall continue to secure all of the indebtedness owed to City hereunder in accordance with this Note and the Deed of Trust; or

(E) limit or restrict the ability of City to seek or obtain a judgment against Borrower to enforce against Borrower and its general partners to:

(1) recover under those sections of the Loan Agreement that pertain to Borrower's indemnification obligations), or

(2) recover from Borrower and its general partners compensatory damages as well as other costs and expenses incurred by City (including without limitation attorney's fees and expenses) arising as a result of the occurrence of any of the following:

(a) any fraud or material misrepresentation on the part of the Borrower, any general partner thereof, or any officer, director or authorized representative of Borrower or any general partner thereof in connection with the request for or creation of the Loan, or in any City Document, or in connection with any request for any action or consent by City in connection with the Loan;

(b) any failure to maintain insurance on the Property and the Project as required pursuant to the City Documents;

(c) failure to pay taxes, assessments or other charges which may become liens on the Property or the Project;

(d) the presence of Hazardous Materials on the Property or other violation of the Borrower's obligations under Article VIII of the Loan Agreement or Section 7.11 of the Deed of Trust (pertaining to environmental matters);

(e) the occurrence of any act or omission of Borrower that results in waste to or of the Project or the Property and which has a material adverse effect on the value of the Project or the Property;

(f) the material misapplication of the Loan proceeds;

(g) the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the Deed of Trust;

(h) the material misapplication of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project or the Property; and

(i) the failure of Borrower to pay all amounts payable under this Note in full if Borrower Transfers the Property in violation of the Loan Agreement.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Borrower has executed and delivered this Note as of the date first written above.

BORROWER:

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

Exhibit E-2

BRIDGE DEED OF TRUST, ASSIGNMENT OF RENTS,

SECURITY AGREEMENT AND FIXTURE FILING

(Attach form of Bridge Deed of Trust.)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95760
Attn: City Manager

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder's use.

DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed of Trust**") is made as of _____, 2010, by UHC 00516 Rancho Cordova, L.P., a California limited partnership ("**Trustor**") to _____ Title Company as trustee ("**Trustee**"), for the benefit of the City of Rancho Cordova, a California municipal corporation ("**Beneficiary**").

RECITALS

A. Trustor owns fee simple title to the land described in Exhibit A attached hereto and incorporated herein by this reference (the "**Land**"). The Land is located within the Rancho Cordova Redevelopment Project ("**Project Area**"). Trustor intends to construct, own and operate an 18-unit multifamily residential development on the Land (the "**Project**").

B. Beneficiary and Trustor have entered into a Loan Agreement dated as of _____, 2010 (the "**Loan Agreement**") pursuant to which Beneficiary will provide a bridge loan to Trustor in the amount of Three Million Eight Hundred Thousand Dollars ($3,800,000) (the "**Bridge Loan**") for the purpose of partially financing the Project. Trustor has issued to Beneficiary a secured promissory note dated as of the date hereof (the "**Bridge Note**") to evidence Trustor's obligation to repay the Bridge Loan. A Memorandum of the Loan Agreement will be recorded in the Official Records of Sacramento County concurrently herewith.

C. As a condition precedent to the making of the Bridge Loan, Beneficiary has required that Trustor enter into this Deed of Trust and grant to Trustee for the benefit of Beneficiary, a lien and security interest in the Property (defined below) to secure repayment of the Note and performance of Trustor's obligations under the Loan Agreement and under the Bridge Loan Documents (defined below).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows.

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing payment and performance of the Secured Obligations defined and described in Section 2, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired:

a. All buildings, structures, and improvements, now or hereafter located or constructed on the Land ("**Improvements**");

b. All appurtenances, easements, rights of way, pipes, transmission lines or wires and other rights used in connection with the Land or the Improvements or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Improvements and all existing and future privileges, rights, franchises and tenements of the Land, including all minerals, oils, gas and other commercially valuable substances which may be in, under or produced from any part of the Land, and all water rights, rights of way, gores or strips of land, and any land lying in the streets, ways, and alleys, open or proposed, in front of or adjoining the Land and Improvements (collectively, "**Appurtenances**");

c. All machinery, equipment, fixtures, goods and other personal property of the Trustor, whether moveable or not, now owned or hereafter acquired by the Trustor and now or hereafter located at or used in connection with the Land, the Improvements or Appurtenances, and all improvements, restorations, replacements, repairs, additions or substitutions thereto (collectively, "**Equipment**");

d. All existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "Leases"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "**Rents**");

e. All insurance proceeds and any other proceeds from the Land, Improvements, Appurtenances, Equipment, Leases, and Rents, including without limitation, all deposits made with or other security deposits given to utility companies, all claims or demands relating to insurance awards which the Trustor now has or may

hereafter acquire, including all advance payments of insurance premiums made by Trustor, and all condemnation awards or payments now or later made in connection with any condemnation or eminent domain proceeding ("**Proceeds**");

f. All revenues, income, rents, royalties, payments and profits produced by the Land, Improvements, Appurtenances and Equipment, whether now owned or hereafter acquired by Trustor ("**Gross Revenues**");

g. All architectural, structural and mechanical plans, specifications, design documents and studies produced in connection with development of the Land and construction of the Improvements (collectively, "**Plans**"); and

h. All interests and rights in any private or governmental grants, subsidies, loans or other financing provided in connection with development of the Land and construction of the Improvements, excluding any low income housing tax credits awarded to Trustor in connection with the Project and any equity contributed to Trustor by Trustor's limited partners (collectively, "**Financing**").

All of the above-referenced interests of Trustor in the Land, Improvements, Appurtenances, Equipment, Leases, Rents, Proceeds, Gross Revenues, Plans and Financing as hereby conveyed to Trustee or made subject to the security interest herein described are collectively referred to herein as the "**Property**."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (collectively, the "**Secured Obligations**"): (i) all present and future indebtedness evidenced by the Bridge Loan Note and any amendment thereof, including principal, interest and all other amounts payable under the terms of the Note; (ii) all present and future obligations of Trustor to Beneficiary under the Bridge Loan Documents (defined below); (iii) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iv) all obligations of Trustor to Beneficiary under all modifications, supplements, amendments, renewals, or extensions of any of the foregoing, whether evidenced by new or additional documents; and (v) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary's interests under this Deed of Trust or any other Bridge Loan Document as such may be modified, supplemented, amended, renewed or extended. The Bridge Loan Note, the Loan Agreement, this Deed of Trust, and the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants ("**Regulatory Agreement**") dated as of the date hereof, executed by and between Trustor and Beneficiary and recorded substantially concurrently herewith are hereafter collectively referred to as the "**Bridge Loan Documents**."

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary the Rents, royalties, issues, profits, revenue, income and proceeds of the Property. This is an absolute assignment and not

an assignment for security only. Beneficiary hereby confers upon Trustor a license to collect and retain such Rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence and during the continuance of any such Event of Default, Beneficiary may terminate such license without notice to or demand upon Trustor and without regard to the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, to any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary's right to the rents, royalties, issues, profits, revenue, income and proceeds of the Property does not depend upon whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land or the Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of Trustor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and shall not be responsible for any waste committed by Trustor, lessees or any third parties, or for dangerous or defective condition of the Property or any negligence in the management, repair or control of the Property. Absent Beneficiary's written consent, Trustor shall not accept prepayment of Rents for any rental period exceeding one month.

4. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time (the "**UCC**"), covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

5. Financing Statements. Pursuant to the UCC, Trustor, as debtor, hereby authorizes Beneficiary, as secured party, to file such financing statements and amendments thereof and such continuation statements with respect thereto as Beneficiary may deem appropriate to perfect and preserve Beneficiary's security interest in the Property and Rents, without requiring any signature or further authorization by Trustor. If requested by Beneficiary, Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall not be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

Everything used in connection with the Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the estate encumbered by this Deed of Trust irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Beneficiary, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for lessening of value, or (3) Trustor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property conveyed hereby, whether pursuant to lease or otherwise, shall not be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document. Such mention in any financing statement is declared to be solely for the protection of Beneficiary in the event any court or judge shall at any time hold, with respect to the matters set forth in the foregoing clauses (1), (2), and (3), that notice of Beneficiary's priority of interest is required in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government.

6. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the UCC with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of Sacramento County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC.

7. Trustor's Representations, Warranties and Covenants; Rights and Duties of the Parties.

7.1 Representations and Warranties. Trustor represents and warrants that: (i) Trustor lawfully possesses and holds a fee simple interest in the Land and the Improvements, (ii) Trustor has good and marketable title to all of the Property; (iii) other than as limited by the Bridge Loan Documents and the Permitted Encumbrances, Trustor has the full and unlimited power, right and authority to encumber the Property and assign the Rents; (iv) subject only to encumbrances of record and senior liens permitted pursuant to the Bridge Loan Documents or otherwise approved in writing by Beneficiary ("**Permitted Encumbrances**"), this Deed of Trust creates a valid lien on Trustor's entire interest in the Property; (v) except with respect to Permitted Encumbrances, Trustor owns the Property free and clear of all deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (vi) there is no financing statement affecting the Property on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor's chief executive office is specified in Section 10.2. Notwithstanding the foregoing, Beneficiary agrees that pursuant to Health and Safety Code Section 33334.14(a)(4), it will subordinate this Deed of Trust to deeds of trust provided for the benefit of commercial lenders identified in the Financing Plan approved in connection with the Loan Agreement provided that the subordination agreement includes reasonable protections to the Beneficiary in the event of default.

7.2 Condition of Property. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health code violation or violation of other governmental regulations concerning the Property that has not previously been corrected, and no condition on the Land violates any health, safety, fire, environmental, sewage, building, or other federal, state or local law, ordinance or regulation; (ii) no contracts, licenses, leases or commitments regarding the maintenance or use of the Property or allowing any third party rights to use the Property are in force; (iii) there are no threatened or pending actions, suits, or administrative proceedings against or affecting the Property or any portion thereof or the interest of Trustor in the Property; (iv) there are no threatened or pending condemnation, eminent domain, or similar proceedings affecting the Property or any portion thereof; (v) Trustor has not received any notice from any insurer of defects of the Property which have not been corrected; (vi) there are no natural or artificial conditions upon the Land or any part thereof that could result in a material and adverse change in the condition of the Land; (vii) all information that Trustor has delivered to Beneficiary, either directly or through Trustor's agents, is accurate and complete; and (viii) Trustor or Trustor's agents have disclosed to Beneficiary all material facts concerning the Property.

7.3 Authority. Trustor represents and warrants that this Deed of Trust and all other documents delivered or to be delivered by Trustor in connection herewith: (a) have been duly authorized, executed, and delivered by Trustor; (b) are binding obligations of Trustor; and (c) do not violate the provisions of any agreement to which

Trustor is a party or which affects the Property. Trustor further represents and warrants that there are no pending, or to Trustor's knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect Trustor's ownership of the Property.

7.4 Payment and Performance of Secured Obligations. Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note, and shall promptly pay and perform all other obligations of Trustor arising in connection with the Secured Obligations or the Bridge Loan Documents in accordance with the respective terms thereof.

7.5 Use of Bridge Loan Proceeds; Preservation and Maintenance of Property; Compliance with Laws. Trustor covenants that it shall use the Bridge Loan solely for purposes authorized by the Loan Agreement. Trustor covenants that it shall keep the Land and Improvements in good repair and condition, and from time to time shall make necessary repairs, renewals and replacements thereto so that the Property shall be preserved and maintained. Trustor covenants to comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Project, including without limitation all applicable requirements of state and local building codes and regulations, and all applicable statutes and regulations relating to accessibility for the disabled. Trustor shall not remove, demolish or materially alter any Improvement without Beneficiary's consent, shall complete or restore promptly and in good and workmanlike manner any building, fixture or other improvement which may be constructed, damaged, or destroyed thereon, and shall pay when due all claims for labor performed and materials furnished therefor. Trustor shall use the Land and the Improvements solely for purposes authorized by the Bridge Loan Documents, shall not commit or allow waste of the Property, and shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, nor shall Trustor bring on or keep any article on the Property or cause or allow any condition to exist thereon which could invalidate or which would be prohibited by any insurance coverage required to be maintained on the Property pursuant to the Bridge Loan Documents.

7.6 Restrictions on Conveyance and Encumbrance; Acceleration. It shall be an Event of Default hereunder if the Property, any part thereof, or interest therein is sold, assigned, conveyed, transferred, hypothecated, leased, licensed, or encumbered in violation of the Loan Agreement or if any other Transfer (as defined in the Loan Agreement) occurs in violation of the Loan Agreement. If any such Transfer shall occur in violation of such requirements, without limiting the provisions of Section 8 hereof, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, and without demand, immediately become due and payable, subject to any applicable cure period.

7.7 Inspections; Books and Records. Beneficiary and its agents and representatives shall have the right at any reasonable time upon reasonable notice to enter upon the Land and inspect the Property to ensure compliance with the Bridge Loan Documents. Trustor shall maintain complete and accurate books of account and

other records (including copies of supporting bills and invoices) adequate to document the use of the Bridge Loan Proceeds and the operation of the Property, together with copies of all written contracts, Leases and other instruments which affect the Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection by Beneficiary at any reasonable time following two business days prior notice.

7.8 Charges, Liens, Taxes and Assessments. Trustor shall pay before delinquency all taxes, levies, assessments and other charges affecting the Property that are (or if not paid may become) a lien on all or part of the Property. Trustor may, at Trustor's expense, contest the validity or application of any tax, levy, assessment or charge affecting the Property by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Beneficiary is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished other security as may reasonably be required from time to time by Beneficiary; and provided further that Trustor shall timely make any payment necessary to prevent a lien foreclosure, sale, forfeiture or loss of the Property.

7.9 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust.

7.10 Hazard, Liability and Workers' Compensation Insurance. At all times during the term hereof, at Trustor's expense, Trustor shall keep the Improvements and personal property now existing or hereafter located on the Property insured against loss by fire, vandalism and malicious mischief by a policy of standard fire and extended all-risk insurance. The policy shall be written on a full replacement value basis and shall name Beneficiary as loss payee as its interest may appear. The full replacement value of the improvements to be insured shall be determined by the company issuing the policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either the Trustor or the Beneficiary shall have the right to notify the other party that it elects to have the replacement value redetermined by the insurance company. Subject to the rights of any senior lienholder, the proceeds collected under any insurance policy may be applied by Beneficiary to any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary, the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7.10.1 Trustor shall at all times during the term hereof, maintain a comprehensive general liability insurance policy in an amount not less than One Million Dollars ($1,000,000) combined single limit, Two Million Dollars ($2,000,000) annual aggregate, together with Five Million Dollars ($5,000,000) umbrella liability coverage or such other policy limits as City may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence

basis and shall name the Indemnitees as additional insureds. Such policy shall name the Beneficiary as additional insured. Trustor shall maintain workers' compensation insurance as required by law.

7.10.2 Trustor shall file with Beneficiary prior to the commencement of the term hereof, certificates (or such other proof as Beneficiary may require, including without limitation, copies of the required insurance policies) evidencing each of the insurance policies and endorsements thereto as required by this Section, and such certificates (or policies) shall provide that at least thirty (30) days' prior written notice shall be provided to Beneficiary prior to the expiration, cancellation or change in coverage under each such policy.

7.10.3 If any insurance policy required hereunder is canceled or the coverage provided thereunder is reduced, Trustor shall, within fifteen (15) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.10.4 The insurance policies required hereunder shall be issued by insurance companies authorized to do business in the State of California with a financial rating of at least A VII status as rated in the most recent edition of Best's Key Rating Guide. Each policy of insurance shall contain an endorsement requiring the insurer to provide at least 30 days written notice to Beneficiary prior to change in coverage, cancellation or expiration thereof. If any insurance policy required pursuant to the Bridge Loan Documents is canceled or the coverage provided thereunder is reduced, Trustor shall, within ten (10) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.11 Hazardous Materials. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof to the best knowledge of Trustor: (i) the Land is free and has always been free of Hazardous Materials (as defined below) and is not and has never been in violation of any Environmental Law (as defined below); (ii) there are no buried or partially buried storage tanks located on the Land; (iii) Trustor has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Land are or have ever been in violation of any Environmental Law or informing Trustor that the Land is subject to investigation or inquiry regarding Hazardous Materials on the Land or the potential violation of any Environmental Law; (iv) there is

no monitoring program required by the Environmental Protection Agency or any other governmental agency concerning the Land; (v) no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under or at the Land, whether by accident, burying, drainage, or storage in containers, tanks, holding areas, or any other means; (vi) the Land has never been used as a dump or landfill; and (vii) Trustor has disclosed to Beneficiary all information, records, and studies in Trustor's possession or reasonably available to Trustor relating to the Land concerning Hazardous Materials.

Trustor shall not cause or permit any Hazardous Material (as defined below) to be brought upon, kept, stored or used in, on, under, or about the Land by Trustor, its agents, employees, contractors or invitees except for incidental supplies ordinarily used in connection with the construction, rehabilitation, repair, and operation of residential developments and in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Land. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about the Land and results in any contamination of the Land or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Land, Trustor shall promptly take all actions at its sole expense as are necessary to comply with all Environmental Laws (as defined below).

Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold Beneficiary and its elected and appointed officials, officers, agents and employees (collectively, "**Indemnitees**") harmless from and against any and all loss, claim, liability, damage, demand, judgment, order, penalty, fine, injunctive or other relief, cost, expense (including reasonable fees and expenses of attorneys, expert witnesses, and other professionals advising or assisting Beneficiary), action, or cause of action (all of the foregoing, hereafter individually "**Claim**" and collectively "**Claims**") arising in connection with the breach of Trustor's covenants and obligations set forth in this Section 7.11 or otherwise arising in connection with the presence or release of Hazardous Materials in, on, under, or from the Property, except to the extent that Claims arise as a result of the gross negligence or willful misconduct of Indemnitees.. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of Hazardous Materials, all costs of determining whether the Land is in compliance with Environmental Laws, all costs associated with bringing the Land into compliance with all applicable Environmental Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources.

Without limiting the generality of the foregoing, Trustor shall, at Trustor's own cost and expense, do all of the following:

a. pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust;

b. reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust; and

c. reimburse Indemnitees for any and all expenses, including without limitation out-of-pocket expenses and fees of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Deed of Trust, or in monitoring and participating in any legal or administrative proceeding.

Trustor's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Trustor to receive notice of or consideration for any of the following: (i) any amendment or modification of any Bridge Loan Document; (ii) any extensions of time for performance required by any Bridge Loan Document; (iii) any provision in any of the Bridge Loan Documents limiting Beneficiary's recourse to property securing the Secured Obligations, or limiting the personal liability of Trustor, or any other party for payment of all or any part of the Secured Obligations; (iv) the accuracy or inaccuracy of any representation and warranty made by Trustor under this Deed of Trust or by Trustor or any other party under any Bridge Loan Document, (v) the release of Trustor or any other person, by Beneficiary or by operation of law, from performance of any obligation under any Bridge Loan Document; (vi) the release or substitution in whole or in part of any security for the Secured Obligations; and (vii) Beneficiary's failure to properly perfect any lien or security interest given as security for the Secured Obligations.

The provisions of this Section 7.11 shall be in addition to any and all other obligations and liabilities that Trustor may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Beneficiary or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the Bridge Loan Documents or applicable law. The obligations of Trustor to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Secured Obligations, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Deed of Trust.

Without limiting any of the remedies provided in this Deed of Trust, Trustor acknowledges and agrees that each of the provisions in this Section 7.11 is an environmental provision (as defined in Section 736(f)(2) of the California Code of Civil Procedure) made by Trustor relating to real property security (the "Environmental Provisions"), and that Trustor's failure to comply with any of the Environmental Provisions will be a breach of contract that will entitle Beneficiary to pursue the remedies provided by Section 736 of the California Code of Civil Procedure ("Section 736") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a

money judgment for a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, 580d, or 726(b) of the California Code of Civil Procedure.

"**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

"**Environmental Law**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to any Hazardous Material (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C.

Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

7.12 Notice of Claims; Defense of Security; Reimbursement of Costs.

a. Notice of Claims. Trustor shall provide written notice to Beneficiary of any uninsured or partially uninsured loss affecting the Property through fire, theft, liability, or property damage in excess of an aggregate of Fifty Thousand Dollars ($50,000) within three business days of the occurrence of such loss. Trustor shall ensure that Beneficiary shall receive timely notice of, and shall have a right to cure, any default under any other financing document or other lien affecting the Property and shall use best efforts to ensure that provisions mandating such notice and allowing such right to cure shall be included in all such documents. Within three business days of Trustor's receipt thereof, Trustor shall provide Beneficiary with a copy of any notice of default Trustor receives in connection with any financing document secured by the Property or any part thereof.

b. Defense of Security. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

c. Compensation; Reimbursement of Costs. Trustor agrees to pay all reasonable fees, costs and expenses charged by Beneficiary or Trustee for any service that Beneficiary or Trustee may render in connection with this Deed of Trust, including without limitation, fees and expenses related to provision of a statement of obligations or related to a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including without limitation any rights or remedies afforded to Beneficiary or Trustee or both of them under Sections 7.16 and 8.2, whether or not any lawsuit is filed, or in defending any action or proceeding arising under or relating to this Deed of Trust, including reasonable attorneys' fees and other legal costs, costs of any disposition of the Property under the power of sale granted hereunder or any judicial foreclosure, and any cost of evidence of title.

d. Notice of Changes. Trustor shall give Beneficiary prior written notice of any change in the address of Trustor and the location of any Property, including books and records pertaining to the Property.

7.13 Indemnification. Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold harmless the Trustee and the Indemnitees (as defined in Section 7.11) from and against all Claims arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Trustor's covenants under any Bridge Loan Document, (b) any representation by Trustor in any Loan Document which proves to be false or misleading in any material respect when made, (c) injury or death to persons or damage to property or other loss occurring on the Land or in any improvement located thereon, whether caused by the negligence or any other act or omission of Trustor or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which relates to or arises out of the Property, or any Bridge Loan Document or any transaction contemplated thereby, or any failure of Trustor to comply with all applicable state, federal and local laws and regulations applicable to the Property, provided that no Indemnitee shall be entitled to indemnification under this Section for matters caused by such Indemnitee's gross negligence or willful misconduct. The obligations of Trustor under this Section shall survive the repayment of the Bridge Loan and shall be secured by this Deed of Trust. Notwithstanding any contrary provision contained herein, the obligations of Trustor under this Section shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release or reconveyance of this Deed of Trust.

7.14. Limitation of Liability. Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; (iii) any waste committed by Trustor, the lessees of the Property or any third parties, or any dangerous or defective condition of the Property; or (iv) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in managing the Property after an Event of Default, unless the loss is caused by the willful misconduct, gross negligence, or bad faith of Beneficiary. Trustor hereby expressly waives and releases all liability of the types described in this Section 7.14 and agrees that Trustor shall assert no claim related to any of the foregoing against Beneficiary.

7.15 Insurance and Condemnation Proceeds. Subject to the rights of any senior lienholders, any award of damages in connection with any condemnation for public use of, or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply such moneys to any indebtedness secured hereby in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such

application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, insurance and/or condemnation proceeds shall be released to Trustor to be used to repair and/or restore the Project.

7.16 Release, Extension, Modification. At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may release or reconvey all or any part of the Property, consent to the making of any map or plat of the Land or part thereof, join in granting any easement or creating any restriction affecting the Property, or join in any extension agreement or other agreement affecting the lien or charge hereof. At any time and from time to time, without liability therefor and without notice, Beneficiary may (i) release any person liable for payment of any Secured Obligation, (ii) extend the time for payment or otherwise alter the terms of payment of any Secured Obligation; (iii) accept additional real or personal property of any kind as security for any Secured Obligation, or (iv) substitute or release any property securing the Secured Obligations.

7.17 Reconveyance. Upon written request of Beneficiary stating that all of the Secured Obligations have been paid in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

7.18 Cure; Protection of Security. Either Beneficiary or Trustee may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary or Trustee to be conclusive as among Beneficiary, Trustee and Trustor; obtaining insurance and/or paying any premiums or charges for insurance required to be carried hereunder; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this Section 7.18 either with or without giving notice, except for notices required under applicable law. Any amounts disbursed by Beneficiary pursuant to this paragraph shall become additional indebtedness secured by this Deed of Trust.

7.19 Limited Partners Right to Cure. Trustor's limited partners shall have the right to cure any default of Trustor hereunder upon the same terms and conditions

afforded to Trustor. Beneficiary shall provide any notice of default hereunder to the limited partners concurrently with the provision of such notice to Trustor, at the following address (or such alternate address as the limited partners may designate from time to time in a written notice to the City:

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

As to the limited partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 10.2.

8. Default and Remedies.

8.1 Events of Default. Trustor acknowledges and agrees that an Event of Default shall occur under this Deed of Trust upon the occurrence of any one or more of the following events:

a. Beneficiary's declaration of an Event of Default under any Bridge Loan Document, subject to the expiration of any applicable cure period set forth in such document;

b. Trustor fails to perform any monetary obligation which arises under this Deed of Trust, and does not cure that failure within ten (10) days following written notice from Beneficiary or Trustee;

c. If Trustor's interest in the Property or any part thereof is voluntarily or involuntarily sold, transferred, leased, encumbered, or otherwise conveyed in violation of Section 7.6 hereof or if any other Transfer occurs in violation of the Loan Agreement and Trustor fails to rescind such conveyance or otherwise cure such breach within the time period specified in paragraph j below;

d. Trustor fails to maintain the insurance coverage required hereunder or otherwise fails to comply with the requirements of Section 7.10 hereof and Trustor fails to cure such default within the time specified in Section 7.10;

e. Subject to Trustor's right to contest such charges as provided herein, Trustor fails to pay taxes or assessments due on the Land or the Improvements or fails to pay any other charge that may result in a lien on the Land or the Improvements, and Trustor fails to cure such default within ten (10) days.

f. Any representation or warranty of Trustor contained in or made in connection with the execution and delivery of this Deed of Trust or in any certificate or statement furnished pursuant hereto or in any other Bridge Loan Document proves to have been false or misleading in any material adverse respect when made;

g. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Trustor or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Trustor or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

h. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Trustor or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Trustor or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within 60 days after its issuance.

i. The holder of any other debt instrument secured by a mortgage or deed of trust on the Property or part thereof declares an event of default thereunder and exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder's documents; or

j. Trustor fails to perform any obligation arising under this Deed of Trust other than one enumerated in this Section 8.1, and does not cure that failure either within ten (10) days after written notice from Beneficiary or Trustee in the event of a monetary default, or within thirty (30) days after such written notice in the event of a nonmonetary default, provided that in the case of a nonmonetary default that in Beneficiary's reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Default shall not arise hereunder if Trustor commences to cure such default within thirty (30) days and thereafter prosecutes such cure to completion with due diligence and in good faith and in no event later than sixty (60) days following receipt of notice of default.

8.2 Remedies. Subject to the applicable notice and cure provisions set forth herein, at any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below, and may exercise any one or more or all, of the remedies set forth in any Bridge Loan Document, and any other remedy existing at law or in equity or by statute. All of Beneficiary's rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder, including without limitation reasonable attorneys' fees and costs.

a. Acceleration. Beneficiary may declare any or all of the Secured Obligations, including without limitation all sums payable under the Note and this Deed of Trust, to be due and payable immediately.

b. Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

c. Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing copies of all of Trustor's or the then owner's books and records concerning the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments.

d. UCC Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the UCC.

e. Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

f. Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

8.3 Power of Sale. If Beneficiary elects to invoke the power of sale hereby granted, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each County wherein the Property or some part thereof is situated as required by law and this Deed of Trust.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby,

together with a written request for the Trustee to proceed with a sale of the Property, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may, and at Beneficiary's request shall, postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of the trust hereby created, including reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums advanced or expended by Beneficiary or Trustee under the terms hereof and all outstanding sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Without limiting the generality of the foregoing, Trustor acknowledges and agrees that regardless of whether or not a default has occurred hereunder, if an Event of Default has occurred under the Bridge Loan Documents, and if in connection with such Event of Default Beneficiary exercises its right to foreclose on the Property, then: (i) Beneficiary shall be entitled to declare all amounts due under the Note immediately due and payable, and (ii) the proceeds of any sale of the Property in connection with such foreclosure shall be used to pay all Secured Obligations, including without limitation, the outstanding principal balance and all other amounts due under the Note.

At any foreclosure sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the property against the following obligations:

a. First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 7.12(c); and

b. Second, the remaining balance of all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

8.4 Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust, Trustor shall have the right to have any

proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under the Bridge Loan Documents if the Secured Obligations had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

9. Trustor's Waivers. To the fullest extent permitted by law, Trustor waives: (a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary; (b) the benefit of all laws now existing or which may hereafter be enacted providing for any appraisement, valuation, stay, extension, redemption or moratorium; (c) all rights of marshalling in the event of foreclosure; and (d) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind.

10. Miscellaneous Provisions.

10.1 Additional Provisions. The Bridge Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and the Property.

10.2 Notices. Trustor requests that a copy of notice of default and notice of sale be mailed to Trustor at the address set forth below. That address is also the mailing address of Trustor as debtor under the UCC. Beneficiary's address set forth below is the address for Beneficiary as secured party under the UCC. Except for any notice required under applicable law to be given in another manner, all notices to be sent pursuant to this Deed of Trust shall be made in writing, and sent to the parties at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

a. personal delivery, in which case notice shall be deemed delivered upon receipt;

b. certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;

c. nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or

d. facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Beneficiary:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager

Trustor: UHC 00516 Rancho Cordova, L.P.
2000 E. Fourth Street, Suite 205
Santa Ana, CA 92705
Attention: Chief Operating Officer

Trustee: _____ Title Company
[Address]

10.3 Binding on Successors. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of the Trustor, Beneficiary and Trustee; provided however this Section 10.3 does not waive the provisions of Section 7.6.

10.4 Substitution of Trustee. Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Sacramento County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

10.5 Attorneys' Fees and Costs. In any action or proceeding to foreclose this Deed of Trust or to enforce any right of Beneficiary or of Trustee, Trustor shall pay to Beneficiary and Trustee all costs of such action or proceeding, including reasonable attorneys' fees.

10.6 Governing Law; Severability; Interpretation. This Deed of Trust shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Trustor agrees that any controversy arising under or in relation to this Deed of Trust shall be litigated exclusively in the jurisdiction where the Land is located (the "**Property Jurisdiction**"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Bridge Loan Documents. Trustor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. If any provision of this Deed of Trust is held unenforceable or void, that provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of this Deed of Trust. The captions used in this Deed of Trust are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

10.7 Waiver, Modification and Amendment. Any waiver by Beneficiary of any obligation of Trustor hereunder must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance. No amendment to or modification of this Deed of Trust shall be effective unless and until such amendment or modification is in writing, executed by Trustor and Beneficiary. Without limiting the generality of the foregoing, Beneficiary's acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver by Beneficiary of its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

10.8 Action by Beneficiary. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Beneficiary is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by Beneficiary's City Manager or by any person who shall have been designated by Beneficiary's City Manager, without further approval by the governing board of Beneficiary. Beneficiary shall use reasonable best efforts to respond to requests for any such approval, notice, direction, or consent in a timely manner. In any approval, consent, or other determination by Beneficiary required hereunder, Beneficiary shall act reasonably and in good faith.

10.9 Joint and Several Liability. If Trustor consists of more than one person or entity, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

10.10 Time is of the Essence. Time is of the essence for each provision of this Deed of Trust.

10.11 Partial Subordination to Extended Use Agreement. Trustor and the California Tax Credit Allocation Committee have or intend to enter into, or concurrently with the execution and delivery of the Bridge Loan Documents are entering into, a Regulatory Agreement (the "**TCAC Regulatory Agreement**"), which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). In the event of a foreclosure of Beneficiary's interest under this Deed of Trust or delivery by the Trustor of a deed in lieu thereof (collectively, a "**Foreclosure**"), the following rule shall apply:

> In the event of a Foreclosure, throughout the extended use period specified in the TCAC Regulatory Agreement, with respect to any unit that had been regulated by the TCAC Regulatory Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first written above.

TRUSTOR:

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

SIGNATURES MUST BE NOTARIZED.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A to Bridge Loan Deed of Trust

LAND
(Attach legal description.)

Exhibit E-3

ASSIGNMENT OF AGREEMENTS, PLANS, AND SPECIFICATIONS

(Attach form of Assignment Agreement.)

ASSIGNMENT OF AGREEMENTS, PLANS AND SPECIFICATIONS

FOR VALUE RECEIVED, effective as of _____, 2010 (the "**Effective Date**"), UHC 00516 Rancho Cordova, L.P., a California limited partnership ("**Assignor**") hereby assigns to the City of Rancho Cordova, a California municipal corporation ("**City**") and grants to City a security interest in all of its right, title and interest in and to the contracts and agreements listed in Exhibit A attached hereto and incorporated herein by reference and all of the items listed in the following paragraphs (A) and (B) (all of which hereafter shall collectively be referred to as the "**Assigned Documents**"). Other than as expressly stated herein, Assignor makes no express or implied representations or warranties in connection with the Assigned Documents. Capitalized terms used without definition herein shall have the meaning ascribed to such terms in the Loan Agreement (defined below). City and Assignor are referred to herein as the "**Parties**."

(A) All architectural, design, engineering, consulting and construction contracts, and any and all amendments, modifications, supplements, addenda and general conditions thereto equaling or exceeding Five Thousand Dollars ($5000) in cost (collectively "**Agreements**"), heretofore or hereafter entered into by Assignor and any architect, engineer, analyst, consultant, contractor or other person or entity ("**Contractor**") in connection with the preparation of plans, specifications, studies, assessments, analyses, drawings or any other similar service related to the Property, the Project, or the improvements existing or to be installed or constructed on the Property (the "**Improvements**"); and

(B) All permits, reports, analyses, studies, plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto equaling or exceeding Five Thousand Dollars ($5000) in cost (collectively "**Reports, Plans and Specifications**") heretofore or hereafter obtained or prepared by or for Assignor or its agents, employees or any Contractor with respect to the Property, the Project or the Improvements.

As used herein, the term "Assigned Documents" shall also include all Agreements, Reports, Plans and Specifications to which beneficial interest or rights of use have been obtained by or assigned to Assignor.

In addition, the Parties agree as follows:

1. This Assignment of Agreements, Plans, and Specifications (this "**Assignment Agreement**") is made pursuant to that certain Loan Agreement executed by and between Assignor and City dated as of _____, 2010 (the "**Loan Agreement**").

2. This Assignment Agreement is made to secure payment to the City of all sums now or hereafter owing under the Bridge Note dated as of the date hereof made by Assignor for the benefit of City, and any and all advances, modifications, extensions, renewals and amendments thereof.

3. Assignor hereby irrevocably appoints City as its attorney-in-fact (which agency is coupled with an interest) upon the occurrence of an Event of Developer Default under the Loan Agreement, to demand, receive, and enforce any and all of Assignor's rights with respect to the Assigned Documents, and to perform any and all acts in the name of Assignor or in the name of the City with the same force and effect as if performed by Assignor in the absence of this Assignment Agreement.

4. Assignor agrees to obtain from each Contractor whose contract equals or exceeds Five Thousand Dollars ($5000) and deliver to City a duly executed Consent substantially in the form attached hereto as Exhibit B.

5. Assignor represents and warrants to City that no previous assignment of its respective rights or interest in or to any of the Assigned Documents has been made. So long as the City holds or retains any interest with respect to the City Bridge Loan under the Loan Agreement or the Bridge Note, Assignor agrees not to assign, sell, pledge, transfer, mortgage, or hypothecate its respective rights or interest in any of the Assigned Documents without prior written approval of the City; provided however, the City approves the Assignor's assignment of such rights and interests to other Project lenders, if any, approved pursuant to the Financing Plan as it may be updated.

6. This Assignment Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Assignor and the City.

7. Unless an Event of Developer Default (as defined in the Loan Agreement) shall have occurred , Assignor shall be entitled (subject to the provisions of Section 5 above) to enjoy and enforce all of its rights under the Assigned Documents. If such an Event of Developer Default or termination occurs and City gives written notice (an "**Exercise Notice**") to any Contractor who is a party to any Assigned Document, which Exercise Notice refers to this Assignment Agreement, states that an Event of Developer Default or termination has occurred, and states that City intends to exercise its rights under this Assignment Agreement, then the City shall be entitled thereafter to enjoy and enforce all of the rights of Assignor under such Assigned Document and shall become bound to perform all future obligations of Assignor thereunder, it being understood that in no event shall City be liable for payments or costs relating to any work which any Contractor has performed prior to the date of City's delivery of such Exercise Notice. Unless and until such Exercise Notice is given, City shall not be obliged to perform any of the obligations of Assignor under the Assigned Documents.

8. Assignor represents and warrants that to the best of its knowledge after reasonable inquiry, there are no defaults under any Assigned Document by any party thereto.

9. Assignor further represents and warrants that all sums due and owing to any Contractor to date under any Assigned Document have been duly paid in full, except to the extent deferral of such sums is allowed pursuant to such Assigned Document.

10. As provided in this Section 10, City may assign its rights under this Assignment Agreement, and the Assigned Documents, and the rights and obligations of any assignee of City shall be the same as provided herein as to City and Contractor. City may, in its discretion, make any such assignment to the Community Redevelopment Agency of the City of Rancho Cordova, a public body, corporate and politic ("**Agency**"), and may make any such assignment to a third party, with the consent of Assignor and the Contractor who is a party to such Assigned Documents, provided the consent of Assignor and such Contractor shall not be unreasonably withheld, conditioned or delayed.

11. This Assignment Agreement shall not be deemed to release or affect in any way the obligations of Assignor to any Contractor under the Assigned Documents.

12. Assignor is executing this Assignment Agreement to induce City to enter into and disburse funds pursuant to the Loan Agreement, and Assignor understands that City would not do so but for the execution and delivery of this Assignment Agreement by Assignor.

13. Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Assignment Agreement shall be made in writing, and sent to the parties at their respective addresses specified below (or in the case of Contractor, to the address specified in the Consent attached hereto) or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

(i) personal delivery, in which case notice is effective upon delivery;

(ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;

(iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;

(iv) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof.

Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a non-business day.

CITY:

The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager [or designee] and Housing Services Administrator
Facsimile: (916) 851-8787

ASSIGNOR:

UHC 00516 Rancho Cordova, L.P.
2000 East Fourth Street, Suite 205
Santa Ana, CA 92705
Attn: Chief Operating Officer
Facsimile: (714) 835-3275

14. Amendments. This Assignment Agreement may be modified only by a written instrument signed by the Parties.

15. Further Assurances; Consents. The Parties shall execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Assignment Agreement.

16. Parties Not Co-Venturers. Nothing in this Assignment Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

17. Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City Manager or by any person who shall have been designated by the City Manager, without further approval by the City Council unless the City Manager determines that such matter requires the consent of the City Council.

18. Non-Liability of City and City Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to Assignor, or any successor in interest, in the event of any default or breach by the City, or for any amount of money which may become due to Assignor or its successor or for any obligation of City under this Assignment Agreement.

19. No Third Party Beneficiaries. There shall be no third party beneficiaries to this Assignment Agreement.

20. Headings; Construction. The headings of the sections and paragraphs of this Assignment Agreement have been inserted for convenience only and shall not be used to construe this Assignment Agreement. The language of this Assignment Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. Time is of the essence in the performance of this Assignment Agreement.

21. Governing Law; Venue. This Assignment Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. The Parties consent to the jurisdiction of any federal or state court in the jurisdiction in which the Property is located (the "**Property Jurisdiction**"). Assignor agrees that any controversy arising under or in relation to this Assignment Agreement, the Bridge Loan Note or the Loan Agreement with respect to the Bridge Loan shall be litigated exclusively in courts having jurisdiction in the Property Jurisdiction. Assignor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

22. Attorneys' Fees. If any claim, at law or otherwise is made by either Party, the prevailing party or the nondefaulting party, as the case may be, shall be entitled to its costs and reasonable attorneys' fees.

23. Severability. If any term of this Assignment Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties are materially altered or abridged by such invalidation, voiding or unenforceability.

24. Counterparts. This Assignment Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Assignor and City have duly executed this Assignment Agreement effective as of the date first above written.

CITY:

THE CITY OF RANCHO CORDOVA,
a public body, corporate and politic

By: _____

Name: _____

Title: _____

ATTEST:

By: _____
, City Clerk

APPROVED AS TO FORM:

By: _____
, City Attorney

ASSIGNOR:

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

Exhibit A to Assignment Agreement

CONTRACTS AND AGREEMENTS

(Attach List.)

Exhibit B To Assignment Agreement

CONSENT

This Consent ("**Consent**") is executed effective as of _____, 20__, pursuant to that certain Assignment of Agreements, Plans and Specifications ("**Assignment Agreement**") executed by and between UHC 00516 Rancho Cordova, L.P., a California limited partnership ("**Assignor**") and the City of Rancho Cordova, a California municipal corporation ("**City**"), dated as of _____, 2010. Unless otherwise defined herein, capitalized terms used in this Consent shall have the meanings given them in the Assignment Agreement.

The undersigned consultant, architect, engineer, and/or contractor ("**Contractor**") hereby consents to the Assignment Agreement and the assignments contemplated thereby, and hereby waives all provisions in the Assigned Documents to which Contractor is a party which would impair, hinder or prevent the making of any such assignment by Assignor to City or the enforcement thereof by City.

Contractor agrees that if at any time, the City shall, pursuant to its rights under the Assignment Agreement, deliver an Exercise Notice to Contractor, then provided that Contractor has received, receives or continues to receive the compensation called for under the Assigned Documents to which Contractor is a party, the City may, at its option, use and rely upon the Reports, Plans and Specifications for the purposes for which they were prepared, and Contractor will continue to perform its obligations under the Assigned Documents to which Contractor is a party for the benefit and account of the City in the same manner as if performed for the benefit or account of Assignor in the absence of the Assignment Agreement. Contractor agrees that it shall rely conclusively upon any Exercise Notice given to Contractor by City, and Contractor agrees to be bound by such Exercise Notice.

By its execution of this Consent, Contractor agrees to look solely to Assignor and its successors in interest for performance of Assignor's obligations under the Assigned Documents to which Contractor is a party unless and until Contractor shall have received an Exercise Notice from City.

Contractor agrees that, notwithstanding anything hereinabove contained or contained in the Assigned Documents to the contrary, provided that Contractor has received, receives or continues to receive the compensation called for under the Assigned Documents to which Contractor is a party, City will have the right to receive and to use (without cost to City) any and all Reports, Plans and Specifications relating to the Property, the Project or the Improvements, as the same may be amended or modified from time to time, which Contractor may own or have the right to use and to grant others the right to use. Contractor further agrees that, upon the written request of City (whether or not any Event of Developer Default has occurred), it will execute and deliver a certification confirming City's rights with respect to such Reports, Plans, and Specifications as City from time to time may reasonably request.

Contractor agrees that for so long as the Assignment Agreement is effective, if Assignor defaults in making any required payment or in performing any other obligation under any Assigned Document to which Contractor is a party, Contractor shall give prompt written notice thereof to City. Unless and until such notice is given to City, and for a period of fifteen (15) business days thereafter, Contractor shall not exercise any of its rights or remedies against Assignor under the Assigned Documents (including, without limitation, the right to terminate any

Assigned Document or to stop work thereunder). After such notice is given and for a period of fifteen (150 business days thereafter, City may, at its option, cure (but shall have no obligation to cure) any such default by Assignor and, if such default is so cured during such notice period, Contractor shall continue performance under the Assigned Documents to which such Contractor is a party.

Contractor represents and warrants that (i) the Assigned Documents to which Contractor is a party are in full force and effect, and to Contractor's knowledge there are no defaults thereunder by any party thereto; (ii) Contractor has made no assignment of any Assigned Document to which Contractor is a party or of its rights thereunder (other than to City); and (iii) there presently exists no unpaid claims presently due to Contractor, except as disclosed in writing to the City, arising in connection with the performance of Contractor's obligations under the Assigned Documents to which Contractor is a party. Contractor agrees that for so long as the Assignment Agreement is effective, absent the prior written consent of City, Contractor shall not assign its rights or interest in any of the Assigned Documents to any entity other than a lender whose loan is secured by the Property, the Project or the Improvements with the prior written approval of the City; provided however, the City approves of any assignment to the Project lenders approved pursuant to the Financing Plan as it may be updated.

IN WITNESS WHEREOF, Contractor has duly executed this Consent as of the date first written above.

CONTRACTOR

Name:_____

By: _____

Its:_____

Contractor's Address:

_____

_____

Telephone: _____

Facsimile:_____

Exhibit E-4

ASSIGNMENT OF ARCHITECTURAL AGREEMENTS AND PLANS AND SPECIFICATIONS

(Attach form of Assignment Agreement.)

ASSIGNMENT OF ARCHITECTURAL AGREEMENTS AND PLANS AND SPECIFICATIONS

THIS ASSIGNMENT OF ARCHITECTURAL AGREEMENTS AND PLANS AND SPECIFICATIONS (this "**Assignment**") is executed as of _____, 2010, by UHC 00516 Rancho Cordova, LP, a California limited partnership ("**Borrower**"), in favor of the City of Rancho Cordova, municipal corporation, and its successors and assigns ("**Lender**").

RECITALS:

A. Pursuant to that certain Loan Agreement (the "**Loan Agreement**") dated as of even date herewith and executed by and between Lender and Borrower, Lender has agreed to make a bridge loan in the principal amount of $3,800,000 and a permanent loan in the principal amount of $4,621,180 (collectively, the "**Loans**") to Borrower. The Loans are evidenced by two promissory notes (collectively, the "**Notes**") executed by Borrower in favor of Lender each in the aggregate principal amount of the applicable Loan. Each Note is secured by, among other things, a Deed of Trust Assignment of Rents, Security Agreement and Fixture Filing (the "**Deed of Trust**"), executed by Borrower, as Trustor, for the benefit of Lender, as Beneficiary, encumbering the real property and any and all improvements thereon described on Exhibit A attached hereto and incorporated herein by this reference ("**Property**").

B. In order to induce Lender to make the Loans, Borrower has agreed to execute this Assignment in order to assign to Lender all of its right, title and interest in and under the Architectural Agreements (as defined below).

C. Capitalized terms used and not defined herein have the meanings given in the Loan Agreement.

AGREEMENT:

FOR VALUE RECEIVED, Borrower hereby assigns to Lender all of its right, title and interest in and to:

1. All architectural, design, engineering and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, "**Architectural Agreements**"); and

2. All plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively "**Plans and Specifications**"), heretofore or hereafter entered into or prepared by any architect, engineer or other person or entity (collectively "**Architect**"), for or on behalf of Borrower in connection with the construction of the Project (as defined in the Loan Agreement) on the Property. The Plans and Specifications include, but are not limited to, that certain Standard Form of Agreement Between Owner and Architect with Standard Form of Architect's Services, dated as of _____. 2010, between Borrower and _____, a corporation, as may be amended from time to time. The Plans and Specifications, as of the date hereof, are those which Borrower has heretofore, or will hereafter deliver to Lender.

This Assignment constitutes a present and absolute assignment to Lender as of the Effective Date; provided, however, Lender confers upon Borrower the right to enforce the terms of the Architectural Agreements and Borrower's rights to the Plans and Specifications so long as no Default or event which would constitute a Default after notice or the passage of time, or both, has occurred and is continuing under any of the Loan Documents (as defined in the applicable Deed of Trust). Upon the occurrence of a Default or event which would constitute a Default after notice or the passage of time, or both, under any of the Loan Documents, Lender may, in its sole discretion, give notice to Architect of its intent to enforce the rights of Borrower under the Architectural Agreements and of its rights to the Plans

and Specifications and may initiate or participate in any legal proceedings respecting the enforcement of said rights. Borrower acknowledges that by accepting this Assignment, Lender does not assume any of Borrower's obligations under the Architectural Agreements or with respect to the Plans and Specifications.

Borrower represents and warrants to Lender, as of the Effective Date, that: (a) all Architectural Agreements entered into by Borrower are in full force and effect and are enforceable in accordance with their terms and no default, or event which would constitute a default after notice or the passage of time, or both, exists with respect to said Architectural Agreements; (b) all copies of the Architectural Agreements and Plans and Specifications delivered to Lender are complete and correct; and (c) Borrower has not assigned any of its rights under the Architectural Agreements or with respect to the Plans and Specifications.

Borrower agrees: (a) to pay and perform all obligations of Borrower under the Architectural Agreements; (b) to enforce the payment and performance of all obligations of any other person or entity under the Architectural Agreements; (c) not to modify the existing Architectural Agreements nor to enter into any future Architectural Agreements without Lender's prior written approval except as otherwise may be permitted in the Loan Documents; and (d) not to further assign, for security or any other purposes, its rights under the Architectural Agreements or with respect to the Plans and Specifications without Lender's prior written consent.

This Assignment is one of the Loan Documents and secures payment and performance by Borrower of all obligations of Borrower under the Loan Documents. This Assignment is supplemented by those provisions of the Loan Agreement which apply to the Loan Documents and said provisions are incorporated herein by reference. This Assignment is part of and further defines the assignment of contract rights set forth in the "Security Agreement" provisions of the Deed of Trust.

This Assignment shall be governed by the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California, and Borrower consents to the jurisdiction of any federal or state court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorneys' fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Borrower and Lender; provided, however, this shall not be construed and is not intended to waive any restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by Borrower contained in any of the Loan Documents.

The attached Exhibit A and all attached Architect's/Engineer's Consents and any Schedule 1 attached thereto are incorporated by reference.

[Remainder of Page is Intentionally Left Blank.
Signature(s) on Following Page.]

IN WITNESS WHEREOF, this Assignment has been duly executed as of the date first above written.

"**BORROWER**"

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

EXHIBIT A

PROPERTY

REAL PROPERTY IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ARCHITECT'S/ENGINEER'S CONSENT

The undersigned architect and/or engineer (collectively referred to as "**Architect**") hereby consents, as of _____, 2010, to the foregoing Assignment to which this Architect's/Engineer's Consent ("**Consent**") is a part, and acknowledges that there presently exists no unpaid claim due to the Architect, except as set forth on Schedule 1 attached hereto, arising out of the preparation and delivery of the Plans and Specifications to Borrower and/or the performance of the Architect's obligations under the Architectural Agreements described in the Assignment.

Architect agrees that if, at any time, Lender shall become the owner of said Property, or, pursuant to its rights under the Loan Documents, elects to undertake or cause the completion of construction of the Project on any portion of the Property, in accordance with the Plans and Specifications, and gives Architect written notice of such election; THEN, so long as Architect has received, receives or continues to receive the compensation called for under the Architectural Agreements, Lender may, at its option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the Architectural Agreements for the benefit and account of Lender in the same manner as if performed for the benefit or account of Borrower in the absence of the Assignment.

Architect further agrees that, in the event of a breach by Borrower of the Architectural Agreements, or any agreement entered into with Architect in connection with the Plans and Specifications, so long as Borrower's interest in the Architectural Agreements and Plans and Specifications is assigned to Lender, Architect will give written notice to Lender, at The City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California 95670, Attention: City Manager, of such breach. Lender shall have thirty (30) days from the receipt of such written notice of default to remedy or cure said default provided, if such default is of a nature that it cannot be cured within thirty (30) days, Lender shall have thirty (30) days within which to commence the cure and shall thereafter have such reasonable period of time to complete such cure as is necessary. Nothing herein shall require Lender to cure said default or to undertake completion of construction of the Project.

Architect warrants and represents that it/he has no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the Architectural Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

[Remainder of Page is Intentionally Left Blank.
Signature on Following Page.]

"ARCHITECT"

_____
a California corporation

By: _____

Name: _____

Title: _____

Architect's Address:

SCHEDULE 1

SCHEDULE OF UNPAID CLAIMS

Schedule 1 to Architect's/Engineer's Consent by _____, a California corporation, in connection with that certain Assignment of Architectural Agreements and Plans and Specifications dated as of _____. 2010 between UHC 00516 Rancho Cordova, LP, a California limited partnership as Borrower and the City of Rancho Cordova, municipal corporation, and its successors and assigns as Lender.

[If none, state "none"]

Exhibit E-5

Assignment of Construction Contracts

(Attach form of Assignment Agreement.)

ASSIGNMENT OF CONSTRUCTION CONTRACTS

THIS ASSIGNMENT OF CONSTRUCTION CONTRACTS (this "**Assignment**") is executed as of _____, 2010, by UHC 00516 Rancho Cordova, L.P, a California limited partnership ("**Borrower**"), in favor of the City of Rancho Cordova, a municipal corporation, and its successors and assigns ("**Lender**").

RECITALS:

A. Pursuant to that certain Loan Agreement (the "**Loan Agreement**") dated as of even date herewith and executed by and between Lender and Borrower, Lender has agreed to make a bridge loan in the principal amount of $3,800,000 and a permanent loan in the principal amount of $4,621,180 (collectively, the "**Loans**") to Borrower. The Loans are evidenced by two promissory notes (collectively, the "**Notes**") executed by Borrower in favor of Lender each in the aggregate principal amount of the applicable Loan. Each Note is secured by, among other things, a Deed of Trust Assignment of Rents, Security Agreement and Fixture Filing (the "**Deed of Trust**"), executed by Borrower, as Trustor, for the benefit of Lender, as Beneficiary, encumbering the real property and any and all improvements thereon described on Exhibit A attached hereto and incorporated herein by this reference ("**Property**").

B. In order to induce Lender into making the Loans, Borrower has agreed to execute this Assignment in order to assign to Lender all of its right, title and interest in and under the Construction Agreements (as defined below).

C. Capitalized terms used and not defined herein have the meanings given in the Loan Agreement.

AGREEMENT:

FOR VALUE RECEIVED, Borrower hereby assigns to Lender all of its rights under all existing and future agreements and contracts, as amended, between Borrower and any other person or entity (collectively, "**Construction Agreements**") relating to the construction of the Project (defined in the Loan Agreement) on the Property. The Construction Agreements include, but are not limited to, that certain construction contract dated as of _____, 2010, by and between Borrower and _____, as amended from time to time.

This Assignment constitutes a present and absolute assignment to Lender as of the Effective Date; provided, however, Lender confers on Borrower the right to enforce the terms of the Construction Agreements so long as no Default or event which would constitute a Default after notice or the passage of time, or both, has occurred and is continuing under any of the Loan Documents. Upon the occurrence of a Default or event which would constitute a Default after notice or the passage of time, or both, under any of the Loan Documents (as defined in the applicable Deed of Trust), Lender may, in its sole discretion, give notice to Contractor of its intent to enforce the rights of Borrower under the Construction Agreements and may initiate or participate in any legal proceedings respecting the enforcement of said rights. Borrower acknowledges that by accepting this Assignment, Lender does not assume any of Borrower's obligations under the Construction Agreements.

Borrower represents and warrants to Lender, as of the Effective Date, that (a) all Construction Agreements entered into by Borrower are in full force and effect and are enforceable in accordance with their terms and no default, or event which would constitute a default after notice or the passage of time, or both, exists with respect to said Construction Agreements, (b) all copies of the Construction Agreements delivered to Lender are complete and correct and (c) Borrower has not assigned any of its rights under

the Construction Agreements. Borrower shall deliver to Lender a true, complete and correct copy of all Construction Agreements entered into after the date hereof, promptly upon execution thereof.

Borrower agrees (a) to pay and perform all obligations of Borrower under the Construction Agreements, (b) to enforce the payment and performance of all obligations of any other person or entity under the Construction Agreements, (c) not to modify the existing Construction Agreements nor to enter into any future Construction Agreements without Lender's prior written approval except as otherwise may be permitted in the Loan Documents and (d) not to further assign, for security or any other purposes, its rights under the Construction Agreements without Lender's prior written consent.

This Assignment is one of the Loan Documents and secures payment and performance by Borrower of all obligations of Borrower under the Loan Documents. This Assignment is supplemented by those provisions of the Loan Agreement which apply to the Loan Documents and said provisions are incorporated herein by reference. This Assignment is part of and further defines the assignment of contract rights set forth in the "Security Agreement" provisions of the Deed of Trust.

This Assignment shall be governed by the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California, and Borrower consents to the jurisdiction of any federal or state court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled to, in addition to any other recovery, reasonable attorneys' fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns and successors-in-interest of Borrower and Lender; provided, however, that this paragraph shall not be construed and is not intended to waive any restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by Borrower contained in any of the Loan Documents.

The attached Contractor's Consents and Exhibit A are incorporated by reference.

[Remainder of Page is Intentionally Left Blank.
Signature(s) on Following Page.]

IN WITNESS WHEREOF, this Assignment has been duly executed as of the date first written above.

BORROWER:

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

EXHIBIT A

PROPERTY

REAL PROPERTY IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

CONTRACTOR'S CONSENT

The undersigned ("Contractor") hereby consents, as of _____, 2010, to the foregoing Assignment of Construction Agreements ("Assignment"), of which this Contractor's Consent ("Consent") is a part.

Contractor agrees that if, at any time, Lender shall become the owner of the Property, or, pursuant to its rights under the Loan Documents, elects to undertake or cause the completion of construction of the Project on any portion of the Property, and gives Contractor written notice of such election; THEN, so long as the Contractor has received, receives or continues to receive the compensation called for under the Construction Agreements, Contractor shall continue to perform its obligations under the Construction Agreements in accordance with the terms thereof.

Contractor further agrees that, in the event of a breach by Borrower of the Construction Agreements, so long as Borrower's interest in the Construction Agreements is assigned to Lender, Contractor will give written notice to Lender, at The City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California 95670, Attention: City Manager, of such breach. Lender shall have thirty (30) days from the receipt of such written notice of default to remedy or cure said default, provided, if such default is of a nature that it cannot be cured within thirty (30) days, Lender shall have thirty (30) days within which to commence the cure and shall thereafter have such reasonable period of time to complete such cure as is necessary. Nothing herein shall require Lender to cure said default or to undertake completion of construction of the Project.

Contractor further agrees that, except with the prior written approval of Lender, Contractor shall not perform any construction work on the Property pursuant to any change in the Plans and Specifications as defined in the Construction Agreements where such change: (a) would constitute a material change in the building material or equipment specifications, the architectural or structural design, value, architecture or quality of any of the improvements as defined in the Construction Agreements; or (b) would result in an increase in any item of construction cost in excess of $_____ for any single change or in excess of $_____ for all such changes in such items of construction cost; or (c) would affect the structural integrity, quality of building material or equipment or overall efficiency of operating systems or utility systems of the improvements. The liens of the Deed of Trust and the Security Agreement therein shall have priority over any claim of lien of Contractor arising out of or in any way connected with any construction work performed by Contractor on the Property pursuant to any change in the Plans and Specifications not approved by Lender where Lender's approval is required under this Consent. Lender may periodically inspect and copy, at reasonable times, the books, records and accounting data of Contractor relating to the construction of the Project.

Finally, Contractor shall hold in trust all money disbursed to or otherwise received by Contractor from or on account of Borrower in connection with the construction of the Project and shall use such money solely for the payment of costs incurred in the construction of the Project, including Contractor's fees, and for no other purpose, until all bills, claims and demands for such costs have been paid in full.

Contractor warrants and represents it/he has no knowledge of any prior assignment(s) of any interest in the Construction Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

CONTRACTOR

By:_____

Contractor's address:_____

Exhibit F

PERMANENT LOAN PROMISSORY NOTE

(Attach form of Permanent Promissory Note.)

SECURED PROMISSORY NOTE
(Permanent Loan – NSP Grant Funds)

$4,621,180

Rancho Cordova,
California
_____, 2010

FOR VALUE RECEIVED, UHC 00516 Rancho Cordova, L.P., a California limited partnership ("Borrower"), promises to pay to the City of Rancho Cordova, a California municipal corporation ("City"), in lawful money of the United States of America, the principal sum of Four Million, Six Hundred Twenty-One Thousand One Hundred Eighty Dollars ($4,621,180) or so much thereof as may be advanced by City pursuant to the Loan Agreement referred to below, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the outstanding principal balance of this Note at a rate equal to zero percent (0%) simple interest per annum, commencing upon the date of disbursement thereof. Interest shall be calculated on the basis of a year of 365 days, and charged for the actual number of days elapsed. [This Secured Promissory Note (this "Note") has been executed and delivered pursuant to and in accordance with the Loan Agreement, dated as of the date hereof and executed by and between Borrower and City (the "Loan Agreement"), and is subject to the terms and conditions of the Loan Agreement, which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

This Note is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Deed of Trust") dated as of the date hereof, executed by Borrower for the benefit of City and encumbering the property described therein. City shall be entitled to the benefits of the security provided by the Deed of Trust and shall have the right to enforce the covenants and agreements contained herein, in the Deed of Trust, the Loan Agreement, the Regulatory Agreement and the other City Documents. The Regulatory Agreement shall remain effective for the full term thereof and shall survive the repayment of this Note.

1. PAYMENTS.

1.1 PAYMENT DATES; MATURITY DATE. No periodic - payments are anticipated on this Note. In no event shall any amount due under this Note become subject to any rights, of offset, deduction or counterclaim on the part of Borrower. The entire outstanding principal balance of this Note, together with interest accrued thereon (if any) and any other sums accrued hereunder shall be payable in full on the date (the "Maturity Date") which is the earlier of (i) the fifty-fifth (55th) anniversary of the date upon which the City issues a final certificate of occupancy for the Project, or (i) the fifty-seventh (57th) anniversary of the date hereof.

1.2 ANNUAL PAYMENTS FROM SURPLUS CASH. By no later than June 1 of each year following the issuance of a final certificate of occupancy for the Project, Borrower shall pay to the Shortfall Reserve ninety percent (90%) of all Surplus Cash generated by the Project during the previous calendar year, and the remaining ten percent (10%) of all Surplus Cash generated by the Project during the previous calendar year shall be released to the Borrower.

No later than May 1 of each year following the issuance of a final certificate of occupancy for the Project, Borrower shall provide to City Borrower's calculation of Surplus Cash for the previous calendar year, accompanied by such supporting documentation as City may reasonably request, including without limitation, an independent audit prepared for the Project by a certified public accountant in accordance with generally accepted accounting principles. No later than November 1 of each year following issuance of the final certificate of occupancy for the Project, Borrower shall provide to City a projected budget for the following calendar year which shall include an estimate of Surplus Cash.

1.2.1 "Surplus Cash" shall mean for each calendar year during the term hereof, the amount by which Gross Revenue (defined below) exceeds Annual Operating Expenses (defined below) for the Project. Surplus Cash shall also include net cash proceeds realized from any refinancing of the Project, less fees and closing costs reasonably incurred in connection with such refinancing, and any City-approved uses of the net cash proceeds of the refinancing.

1.2.2 "Gross Revenue" shall mean for each calendar year during the term hereof, all revenue, income, receipts and other consideration actually received by Borrower from the operation and leasing of the Project. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by tenants; Section 8 payments or other rental subsidy payments received for the dwelling units; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance not required to be paid to the holders of Approved Senior Loans (provided however, expenditure of such proceeds for repair or restoration of the Project shall be included within Annual Operating Expenses in the year of the expenditure); condemnation awards for a taking of part or all of the Property or the Improvements for a temporary period; and the fair market value of any goods or services provided to Borrower in consideration for the leasing or other use of any part of the Project. Gross Revenue shall include any release of funds from Replacement Reserve and other reserve accounts to Borrower other than for costs associated with the Project. Gross Revenue shall not include tenant security deposits, loan proceeds, capital contributions or similar advances.

1.2.3 "Annual Operating Expenses" shall mean for each calendar year during term hereof, the following costs reasonably and actually incurred for the operation and maintenance of the Project to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally

accepted accounting principles: property taxes and assessments or payments in lieu thereof; debt service currently due and payable on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Project) on loans which have been approved by the City and which are secured by deeds of trust senior in priority to the Deed of Trust ("Approved Senior Loans"); property management fees and reimbursements in amounts in accordance with industry standards for similar residential projects; premiums for property damage and liability insurance; utility service costs not paid for directly or indirectly by tenants; maintenance and repair costs; fees for licenses and permits required for the operation of the Project; organizational costs (e.g., annual franchise tax payments) and costs associated with accounting, tax preparation and legal fees of Borrower incurred in the ordinary course of business; expenses for security services; advertising and marketing costs; payment of deductibles in connection with casualty insurance claims not paid from reserves; tenant services; the amount of uninsured losses actually replaced, repaired or restored and not paid from reserves; cash deposits into reserves for capital replacements in an amount no more than $500 per unit per year or such greater amount as reasonably required by the holder of an Approved Senior Loan or as required by a physical needs assessment prepared by a third-party selected or approved by City and prepared at Borrower's expense; partnership management fees payable to the general partners of Borrower, including without limitation the Incentive Partnership Management Fee, Reporting and Coordination Fee, and Partnership Management Fee as defined in the Borrower's Partnership Agreement, and an asset management fee payable to the investor limited partner of Borrower, that shall terminate fifteen (15) years after the end of the Compliance Period as defined in and determined in accordance with Section 42(i) of the Code, and jointly payable in the maximum aggregate sum of Thirty Thousand Dollars ($30,000) per year, of which Fifteen Thousand Dollars ($15,000) shall be payable for Management Fee as an operating expense increasing by three percent (3.0%) per year, with the aggregate remainder being carried forward not as a debt of the Project and which shall only be paid from available cash for Asset Management Fee, in an amount not to exceed seventy-five percent (75%) of such available cash; the remaining twenty-five percent (25%) of such available cash shall be paid to the City as payment in lieu of taxes ("PILOT") in an amount not to exceed Five Thousand Three Hundred Forty Three Dollars ($5,343) increasing by two percent (2%) per year; any remaining available cash, in an amount greater than City PILOT and Borrower's maximum aggregate of Management Fee and Asset Management Fee shall be distributed at ten percent (10%) to the Partnership and ninety percent (90%) to additionally fund the Project Operating Reserve in conformance with Section 1.2 of this Note ; any previously unpaid portion of the developer fee (without interest) due in accordance with the Financing Plan approved by City as set forth in the Loan Agreement (provided that the cumulative amount of such fee does not exceed the maximum allowable by the California Tax Credit Allocation Committee (the "Approved Developer Fee"); cash deposits into Operating Reserves in an amount reasonably approved by City, but only if the accumulated Operating Reserve does not exceed six (6) months' projected Project operating expenses; and other ordinary and reasonable operating expenses. Payments to Borrower, its partners or affiliates in excess of the limitations set forth in this Section shall not be counted toward Annual Operating Expenses for the purpose of calculating Surplus Cash.

Notwithstanding any contrary provision hereof, debt service payable on that certain Promissory Note executed by Borrower and payable to the City in the original principal amount of Three Million Eight Hundred Thousand Dollars ($3,800,000) (the "City Bridge Note") shall be included in Annual Operating Expenses.

1.2.4 EXCLUSIONS FROM ANNUAL OPERATING EXPENSES. Annual Operating Expenses shall exclude the following: developer fees and interest on any deferred developer fees (except as permitted pursuant to Section 1.2.3); contributions to Project Operating Reserves (except as permitted pursuant to Section 1.2.3); debt service payments on any loan which is not an Approved Senior Loan, including without limitation, unsecured loans or loans secured by deeds of trust which are subordinate to the Deed of Trust, but excluding the loan evidenced by the City Bridge Note; depreciation, amortization, depletion and other non-cash expenses; expenses paid for with disbursements from any reserve account; distributions to partners; any amount paid to Borrower, any general partner of Borrower, or any entity controlled by the persons or entities in control of Borrower or any general partner of Borrower. Notwithstanding the foregoing limitation regarding payments to Borrower and related parties, the following fees shall be included in Annual Operating Expenses, subject to applicable limitations set forth in Section 1.2.3 above, even if paid to Borrower, an affiliate of Borrower, or a partner of Borrower: fees paid to a property management agent, resident services agent, or social services agent; partnership management fees, developer fees, asset management fees, and subject to Section 1.2.5, repayment of cash advances by Borrower or its partners to cover Project operating expense deficits or emergency cash needs of the Project.

1.2.5 ADJUSTMENT TO OPERATING EXPENSES. Notwithstanding anything to the contrary set forth herein, for the purpose of calculating Surplus Cash, Annual Operating Expenses shall include: (a) the repayment of operating deficit loans provided by Borrower's limited partner(s) provided however, interest payable on such loans may be included in Annual Operating Expenses only in an amount equivalent to the lesser of (i) interest accrued at the actual interest rate charged for the loan, or (ii) interest accrued at a rate equal to three percent (3%) in excess of the rate of interest most recently announced by Bank of America, NT & SA (or its successor bank) at its San Francisco office as its "prime rate", and (b) the amount of any tax credit adjustor that is required to be paid from Project cash flow.

1.3 COST SAVINGS. "Excess Proceeds" shall mean the sum of all sources of financing received by Borrower for acquisition, construction and permanent financing of the Property and the Project, less the sum of actual uses as shown on the final cost certificate for the Project, excluding deferred developer fees (if any). Prior to calculating Excess Proceeds, the Project Permanent Operating Reserve shall be funded in an amount equal to One Hundred Ninety Three Thousand Seven Hundred Forty Seven Dollars ($193,747) as shown on the Project pro forma approved pursuant to the Loan Agreement, and the Shortfall Reserve (as defined in the Partnership Agreement) shall be funded in an amount equal to Eighty Three Thousand Four Hundred Seventy One Thousand Dollars ($83,471) . Interest earned on the foregoing reserves shall become a part of such reserves and used only for the purpose for which such reserves are

established. Developer's General Contractor shall receive fifty percent (50%) of construction savings. The remaining fifty percent (50%) of construction cost savings shall constitute Excess Proceeds to Developer. Excess Proceeds shall be used first,, to pay for cost overruns, provided that they have resulted from approved Change Orders; second, to pay deferred developer fees (if any); third, to interest accrued on the Bridge Note in excess of Eighty Thousand Dollars ($80,000), the amount budgeted therefor in the Financing Plan; and fourth, for deposit in the Shortfall Reserve. For purposes of this Section 1.3, and notwithstanding anything to the contrary contained herein, Change Orders equal to or less than Ten Thousand Dollars ($10,,000) shall be deemed approved without prior approval of the City, but a complete description of such Change Orders shall be submitted to the City within fifteen (15) days of initiation of such work. Any Change Order exceeding Ten Thousand Dollars ($10,000) shall be submitted to the City for approval prior to commencement of the work described therein. City shall respond to such request for approval within ten (10) days of receipt of said Change Order and shall not withhold approval unreasonably. Except for emergencies, as reasonably determined by City, no work associated with a Change Order in excess of Ten Thousand Dollars ($10,000) will be eligible for payment if it has not been approved by City prior to initiation of the work. City shall be given immediate telephonic or electronic notice of emergency work anticipated to require a Change Order in an amount in excess of Ten Thousand Dollars ($10,000). To the maximum extent possible, a single Change Order must describe all related work associated with the condition causing the need for a Change Order.

1.4 DUE ON SALE. The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 6.2 of the Loan Agreement) absent City consent, of all or any part of the Project or the Property or any interest therein other than a Transfer permitted without City consent pursuant to the Loan Agreement. Without limiting the generality of the foregoing, this Note shall not be assumable without City's prior written consent, which consent may be granted or denied in City's sole discretion.

1.5 PREPAYMENT. Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Regulatory Agreement shall remain in full force for the entire term thereof regardless of any prepayment of this Note.

1.6 MANNER OF PAYMENT. All payments of principal and interest on this Note shall be made to City at 2729 Prospect Park Drive, Rancho Cordova, California 95670 or such other place as City shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by City in writing.

2. DEFAULTS AND REMEDIES.

2.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("Event of Default"):

(a) Borrower fails to pay when due the principal and interest payable hereunder and such failure continues for ten (10) days after City notifies Borrower thereof in writing.

(b) Borrower fails to use Loan Proceeds in accordance with Borrower's request for disbursement of Loan Proceeds

(c) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("Bankruptcy Law"), Borrower or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(d) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

(e) The occurrence of a Transfer in violation of Article VI of the Loan Agreement.

(f) A default arises under any debt instrument secured by a mortgage or deed of trust on the Project or the Property and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

(g) Borrower fails to maintain insurance on the Property and the Project as required pursuant to the City Documents and Borrower fails to cure such default within ten (10) days.

(h) Subject to Borrower's right to contest the following charges pursuant to the City Documents, if Borrower fails to pay taxes or assessments due on the Property or the Project or fails to pay any other charge that may result in a lien on the Property or the Project, and Borrower fails to cure such default within thirty (30) days, but in all events before the imposition of any such tax or other lien.

(i) If any representation or warranty contained in any City Document, or any certificate furnished in connection therewith, or in connection with any request for

disbursement of the proceeds of the Loan proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the City.

(j) An Event of Default shall have been declared under the Loan Agreement, the Regulatory Agreement or any other City Document and remains uncured beyond the expiration of the applicable cure period.

2.2 REMEDIES. Upon the occurrence of an Event of Default hereunder, City may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to City under this Note and the other City Documents, including without limitation the right to pursue foreclosure under the Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of City including, without limitation, reasonable attorneys' fees, incurred in connection with City's enforcement of this Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the Deed of Trust. The rights and remedies of City under this Note shall be cumulative and not alternative.

2.3 DEFAULT RATE. Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of ten percent (10%) per annum or the maximum rate permitted by law (the "Default Rate"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this Note or prevent City from exercising any of its other rights or remedies.

2.4 LIMITED PARTNERS RIGHT TO CURE. Borrower's limited partners shall have the right to cure any default of Borrower hereunder upon the same terms and conditions afforded to Borrower. The City shall provide any notice of default hereunder to the limited partners concurrently with the provision of such notice to Borrower at the following address (or such alternate address as the limited partners may designate from time to time in a written notice to the City);

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

As to the limited partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 11.3 of the Loan Agreement.

3. MISCELLANEOUS.

3.1 WAIVERS; AMENDMENTS; BORROWER'S WAIVERS. No waiver by City of any right or remedy under this Note shall be effective unless in a writing signed by City. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by City will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by City will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of City to take further action without notice or demand as provided in this Note. There shall be no amendment to or modification of this Note except by written instrument executed by Borrower and City.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

3.2 NOTICES. Any notice required or permitted to be given hereunder shall be given in accordance with Section 11.3 of the Loan Agreement.

3.3 SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW; VENUE. This Note shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Any legal action filed in connection with this Note shall be filed in the Superior Court of Sacramento County, California, or in the Federal District Court for the Eastern District of California.

3.5 PARTIES IN INTEREST. This Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of City and its successors and assigns.

3.6 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation.

3.7 RELATIONSHIP OF THE PARTIES. The relationship of Borrower and City under this Note is solely that of borrower and lender, and the loan evidenced by this

Note and secured by the Deed of Trust will in no manner make City the partner or joint venturer of Borrower.

3.8 TIME IS OF THE ESSENCE. Time is of the essence with respect to every provision of this Note.

3.9 NONRECOURSE. Except as expressly provided in this Section 3.9, neither Borrower nor its partners shall have personal liability for payment of the principal of, or interest on, this Note, and the sole recourse of City with respect to the payment of the principal of, and interest on, this Note shall be to the Project, the Property and any other collateral held by City as security for this Note; provided however, nothing contained in the foregoing limitation of liability shall:

(A) impair the enforcement against all such security for the Loan of all the rights and remedies of the City under the Deed of Trust and any financing statements City files in connection with the Loan as each of the foregoing may be amended, modified, or restated from time to time;

(B) impair the right of City to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable City to enforce and realize upon the Deed of Trust, the interest in the Project and the Property created thereby and any other collateral given to City in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

(C) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Loan as a demand for money within the meaning of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto;

(D) constitute a waiver of any right which City may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to City hereunder or to require that the Project and the Property shall continue to secure all of the indebtedness owed to City hereunder in accordance with this Note and the Deed of Trust; or

(E) limit or restrict the ability of City to seek or obtain a judgment against Borrower to enforce against Borrower and its general partners to:

(1) recover under those sections of the Loan Agreement that pertain to Borrower's indemnification obligations), or

(2) recover from Borrower and its general partners compensatory damages as well as other costs and expenses incurred by City (including without limitation attorney's fees and expenses) arising as a result of the occurrence of any of the following:

(a) any fraud or material misrepresentation on the part of the Borrower, any general partner thereof, or any officer, director or authorized representative of Borrower or any general partner thereof in connection with the request for or creation of the Loan, or in any City

Document, or in connection with any request for any action or consent by City in connection with the Loan;

(b) any failure to maintain insurance on the Property and the Project as required pursuant to the City Documents;

(c) failure to pay taxes, assessments or other charges which may become liens on the Property or the Project;

(d) the presence of Hazardous Materials on the Property or other violation of the Borrower's obligations under Article VIII of the Loan Agreement or Section 7.11 of the Deed of Trust (pertaining to environmental matters);

(e) the occurrence of any act or omission of Borrower that results in waste to or of the Project or the Property and which has a material adverse effect on the value of the Project or the Property;

(f) the material misapplication of the Loan proceeds;

(g) the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the Deed of Trust;

(h) the material misapplication of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project or the Property; and

(i) the failure of Borrower to pay all amounts payable under this Note in full if Borrower Transfers the Property in violation of the Loan Agreement.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Borrower has executed and delivered this Note as of the date first written above.

BORROWER:

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

Exhibit G

PERMANENT DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(Attach form of Permanent Deed of Trust.)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Manager

EXEMPT FROM RECORDING FEES
PER GOVERNMENT CODE §§ 6103,27383

DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

CITY OF RANCHO CORDOVA
NEIGHBORHOOD STABILIZATION ("NSP 1") PROGRAM

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed of Trust**") is made as of _____, 2010, by UHC 00516 Rancho Cordova, L.P., a California limited partnership ("**Trustor**") to _____ Title Company as trustee ("**Trustee**"), for the benefit of the City of Rancho Cordova, a California municipal corporation ("**Beneficiary**").

RECITALS

A. Trustor owns fee simple title to the land described in Exhibit A attached hereto and incorporated herein by this reference (the "**Land**"). The Land is located within the Rancho Cordova Redevelopment Project ("**Project Area**"). Trustor intends to construct, own and operate an 18-unit multifamily residential development on the Land (the "**Project**").

B. Beneficiary and Trustor have entered into a Loan Agreement dated as of _____, 2010 (the "**Loan Agreement**") pursuant to which Beneficiary will provide a permanent loan to Trustor in the amount of Four Million Six Hundred Twenty-One Thousand One Hundred Eighty Dollars ($4,621,180) (the "**Permanent Loan**") for the purpose of partially financing the Project. Trustor has issued to Beneficiary a secured promissory note dated as of the date hereof (the "**Permanent Note**") to evidence Trustor's obligation to repay the Permanent Loan. A Memorandum of the Loan Agreement will be recorded in the Official Records of Sacramento County concurrently herewith.

C. As a condition precedent to the making of the Permanent Loan, Beneficiary has required that Trustor enter into this Deed of Trust and grant to Trustee for the benefit of Beneficiary, a lien and security interest in the Property (defined below) to secure repayment of the Note and performance of Trustor's obligations under the Loan Agreement and under the Permanent Loan Documents (defined below).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows.

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing payment and performance of the Secured Obligations defined and described in Section 2, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired:

a. All buildings, structures, and improvements, now or hereafter located or constructed on the Land ("**Improvements**");

b. All appurtenances, easements, rights of way, pipes, transmission lines or wires and other rights used in connection with the Land or the Improvements or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Improvements and all existing and future privileges, rights, franchises and tenements of the Land, including all minerals, oils, gas and other commercially valuable substances which may be in, under or produced from any part of the Land, and all water rights, rights of way, gores or strips of land, and any land lying in the streets, ways, and alleys, open or proposed, in front of or adjoining the Land and Improvements (collectively, "**Appurtenances**");

c. All machinery, equipment, fixtures, goods and other personal property of the Trustor, whether moveable or not, now owned or hereafter acquired by the Trustor and now or hereafter located at or used in connection with the Land, the Improvements or Appurtenances, and all improvements, restorations, replacements, repairs, additions or substitutions thereto (collectively, "**Equipment**");

d. All existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "Leases"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "**Rents**");

e. All insurance proceeds and any other proceeds from the Land, Improvements, Appurtenances, Equipment, Leases, and Rents, including without limitation, all deposits made with or other security deposits given to utility companies, all claims or demands relating to insurance awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by Trustor, and all condemnation awards or payments now or later made in connection with any condemnation or eminent domain proceeding ("**Proceeds**");

f. All revenues, income, rents, royalties, payments and profits produced by the Land, Improvements, Appurtenances and Equipment, whether now owned or hereafter acquired by Trustor ("**Gross Revenues**");

g. All architectural, structural and mechanical plans, specifications, design documents and studies produced in connection with development of the Land and construction of the Improvements (collectively, "**Plans**"); and

h. All interests and rights in any private or governmental grants, subsidies, loans or other financing provided in connection with development of the Land and construction of the Improvements, excluding any low income housing tax credits awarded to Trustor in connection with the Project and any equity contributed to Trustor by Trustor's limited partners (collectively, "**Financing**").

All of the above-referenced interests of Trustor in the Land, Improvements, Appurtenances, Equipment, Leases, Rents, Proceeds, Gross Revenues, Plans and Financing as hereby conveyed to Trustee or made subject to the security interest herein described are collectively referred to herein as the "**Property**."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (collectively, the "**Secured Obligations**"): (i) all present and future indebtedness evidenced by the Permanent Loan Note and any amendment thereof, including principal, interest and all other amounts payable under the terms of the Note; (ii) all present and future obligations of Trustor to Beneficiary under the Permanent Loan Documents (defined below); (iii) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iv) all obligations of Trustor to Beneficiary under all modifications, supplements, amendments, renewals, or extensions of any of the foregoing, whether evidenced by new or additional documents; and (v) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary's interests under this Deed of Trust or any other Permanent Loan Document as such may be modified, supplemented, amended, renewed or extended. The Permanent Note, the Loan Agreement, this Deed of Trust, and the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants ("**Regulatory Agreement**") dated as of the date hereof, executed by and between Trustor and Beneficiary and recorded substantially concurrently herewith are hereafter collectively referred to as the "**Permanent Loan Documents**."

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary the Rents, royalties, issues, profits, revenue, income and proceeds of the Property. This is an absolute assignment and not an assignment for security only. Beneficiary hereby confers upon Trustor a license to collect and retain such Rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence and during the continuance of any such Event of Default, Beneficiary may terminate such license without notice to or demand upon Trustor and without regard to

the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, to any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary's right to the rents, royalties, issues, profits, revenue, income and proceeds of the Property does not depend upon whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land or the Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of Trustor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and shall not be responsible for any waste committed by Trustor, lessees or any third parties, or for dangerous or defective condition of the Property or any negligence in the management, repair or control of the Property. Absent Beneficiary's written consent, Trustor shall not accept prepayment of Rents for any rental period exceeding one month.

4. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time (the "**UCC**"), covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

5. Financing Statements. Pursuant to the UCC, Trustor, as debtor, hereby authorizes Beneficiary, as secured party, to file such financing statements and amendments thereof and such continuation statements with respect thereto as Beneficiary may deem appropriate to perfect and preserve Beneficiary's security interest in the Property and Rents, without requiring any signature or further authorization by

Trustor. If requested by Beneficiary, Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall not be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

Everything used in connection with the Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the estate encumbered by this Deed of Trust irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Beneficiary, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for lessening of value, or (3) Trustor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property conveyed hereby, whether pursuant to lease or otherwise, shall not be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document. Such mention in any financing statement is declared to be solely for the protection of Beneficiary in the event any court or judge shall at any time hold, with respect to the matters set forth in the foregoing clauses (1), (2), and (3), that notice of Beneficiary's priority of interest is required in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government.

6. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the UCC with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of Sacramento County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC.

7. Trustor's Representations, Warranties and Covenants; Rights and Duties of the Parties.

7.1 Representations and Warranties. Trustor represents and warrants that: (i) Trustor lawfully possesses and holds a fee simple interest in the Land and the

Improvements, (ii) Trustor has good and marketable title to all of the Property; (iii) other than as limited by the Permanent Loan Documents and the Permitted Encumbrances, Trustor has the full and unlimited power, right and authority to encumber the Property and assign the Rents; (iv) subject only to encumbrances of record and senior liens permitted pursuant to the Permanent Loan Documents or otherwise approved in writing by Beneficiary ("**Permitted Encumbrances**"), this Deed of Trust creates a valid lien on Trustor's entire interest in the Property; (v) except with respect to Permitted Encumbrances, Trustor owns the Property free and clear of all deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (vi) there is no financing statement affecting the Property on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor's chief executive office is specified in Section 10.2. Notwithstanding the foregoing, Beneficiary agrees that pursuant to Health and Safety Code Section 33334.14(a)(4), it will subordinate this Deed of Trust to deeds of trust provided for the benefit of commercial lenders identified in the Financing Plan approved in connection with the Loan Agreement provided that the subordination agreement includes reasonable protections to the Beneficiary in the event of default.

7.2 Condition of Property. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health code violation or violation of other governmental regulations concerning the Property that has not previously been corrected, and no condition on the Land violates any health, safety, fire, environmental, sewage, building, or other federal, state or local law, ordinance or regulation; (ii) no contracts, licenses, leases or commitments regarding the maintenance or use of the Property or allowing any third party rights to use the Property are in force; (iii) there are no threatened or pending actions, suits, or administrative proceedings against or affecting the Property or any portion thereof or the interest of Trustor in the Property; (iv) there are no threatened or pending condemnation, eminent domain, or similar proceedings affecting the Property or any portion thereof; (v) Trustor has not received any notice from any insurer of defects of the Property which have not been corrected; (vi) there are no natural or artificial conditions upon the Land or any part thereof that could result in a material and adverse change in the condition of the Land; (vii) all information that Trustor has delivered to Beneficiary, either directly or through Trustor's agents, is accurate and complete; and (viii) Trustor or Trustor's agents have disclosed to Beneficiary all material facts concerning the Property.

7.3 Authority. Trustor represents and warrants that this Deed of Trust and all other documents delivered or to be delivered by Trustor in connection herewith: (a) have been duly authorized, executed, and delivered by Trustor; (b) are binding obligations of Trustor; and (c) do not violate the provisions of any agreement to which Trustor is a party or which affects the Property. Trustor further represents and warrants that there are no pending, or to Trustor's knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect Trustor's ownership of the Property.

7.4 Payment and Performance of Secured Obligations. Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note, and shall promptly pay and perform all other obligations of Trustor arising in connection with the Secured Obligations or the Permanent Loan Documents in accordance with the respective terms thereof.

7.5 Use of Permanent Loan Proceeds; Preservation and Maintenance of Property; Compliance with Laws. Trustor covenants that it shall use the Permanent Loan Proceeds solely for purposes authorized by the Loan Agreement. Trustor covenants that it shall keep the Land and Improvements in good repair and condition, and from time to time shall make necessary repairs, renewals and replacements thereto so that the Property shall be preserved and maintained. Trustor covenants to comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Project, including without limitation all applicable requirements of state and local building codes and regulations, and all applicable statutes and regulations relating to accessibility for the disabled. Trustor shall not remove, demolish or materially alter any Improvement without Beneficiary's consent, shall complete or restore promptly and in good and workmanlike manner any building, fixture or other improvement which may be constructed, damaged, or destroyed thereon, and shall pay when due all claims for labor performed and materials furnished therefor. Trustor shall use the Land and the Improvements solely for purposes authorized by the Loan Documents, shall not commit or allow waste of the Property, and shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, nor shall Trustor bring on or keep any article on the Property or cause or allow any condition to exist thereon which could invalidate or which would be prohibited by any insurance coverage required to be maintained on the Property pursuant to the Loan Documents.

7.6 Restrictions on Conveyance and Encumbrance; Acceleration. It shall be an Event of Default hereunder if the Property, any part thereof, or interest therein is sold, assigned, conveyed, transferred, hypothecated, leased, licensed, or encumbered in violation of the Loan Agreement or if any other Transfer (as defined in the Loan Agreement) occurs in violation of the Loan Agreement. If any such Transfer shall occur in violation of such requirements, without limiting the provisions of Section 8 hereof, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, and without demand, immediately become due and payable, subject to any applicable cure period.

7.7 Inspections; Books and Records. Beneficiary and its agents and representatives shall have the right at any reasonable time upon reasonable notice to enter upon the Land and inspect the Property to ensure compliance with the Permanent Loan Documents. Trustor shall maintain complete and accurate books of account and other records (including copies of supporting bills and invoices) adequate to document the use of the Permanent Loan Proceeds and the operation of the Property, together with copies of all written contracts, Leases and other instruments which affect the Property. The books, records, contracts, Leases and other instruments shall be subject

to examination and inspection by Beneficiary at any reasonable time following two business days prior notice.

7.8 Charges, Liens, Taxes and Assessments. Trustor shall pay before delinquency all taxes, levies, assessments and other charges affecting the Property that are (or if not paid may become) a lien on all or part of the Property. Trustor may, at Trustor's expense, contest the validity or application of any tax, levy, assessment or charge affecting the Property by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Beneficiary is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished other security as may reasonably be required from time to time by Beneficiary; and provided further that Trustor shall timely make any payment necessary to prevent a lien foreclosure, sale, forfeiture or loss of the Property.

7.9 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust.

7.10 Hazard, Liability and Workers' Compensation Insurance. At all times during the term hereof, at Trustor's expense, Trustor shall keep the Improvements and personal property now existing or hereafter located on the Property insured against loss by fire, vandalism and malicious mischief by a policy of standard fire and extended all-risk insurance. The policy shall be written on a full replacement value basis and shall name Beneficiary as loss payee as its interest may appear. The full replacement value of the improvements to be insured shall be determined by the company issuing the policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either the Trustor or the Beneficiary shall have the right to notify the other party that it elects to have the replacement value redetermined by the insurance company. Subject to the rights of any senior lienholder, the proceeds collected under any insurance policy may be applied by Beneficiary to any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary, the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7.10.1 Trustor shall at all times during the term hereof, maintain a comprehensive general liability insurance policy in an amount not less than One Million Dollars ($1,000,000) combined single limit, Two Million Dollars ($2,000,000) annual aggregate, together with Five Million Dollars ($5,000,000) umbrella liability coverage or such other policy limits as City may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds. Such policy shall name the Beneficiary as additional insured. Trustor shall maintain workers' compensation insurance as required by law.

7.10.2 Trustor shall file with Beneficiary prior to the commencement of the term hereof, certificates (or such other proof as Beneficiary may require, including without limitation, copies of the required insurance policies) evidencing each of the insurance policies and endorsements thereto as required by this Section, and such certificates (or policies) shall provide that at least thirty (30) days' prior written notice shall be provided to Beneficiary prior to the expiration, cancellation or change in coverage under each such policy.

7.10.3 If any insurance policy required hereunder is canceled or the coverage provided thereunder is reduced, Trustor shall, within fifteen (15) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.10.4 The insurance policies required hereunder shall be issued by insurance companies authorized to do business in the State of California with a financial rating of at least A VII status as rated in the most recent edition of Best's Key Rating Guide. Each policy of insurance shall contain an endorsement requiring the insurer to provide at least 30 days written notice to Beneficiary prior to change in coverage, cancellation or expiration thereof. If any insurance policy required pursuant to the Bridge Loan Documents is canceled or the coverage provided thereunder is reduced, Trustor shall, within ten (10) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.11 Hazardous Materials. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof to the best knowledge of Trustor: (i) the Land is free and has always been free of Hazardous Materials (as defined below) and is not and has never been in violation of any Environmental Law (as defined below); (ii) there are no buried or partially buried storage tanks located on the Land; (iii) Trustor has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Land are or have ever been in violation of any Environmental Law or informing Trustor that the Land is subject to investigation or inquiry regarding Hazardous Materials on the Land or the potential violation of any Environmental Law; (iv) there is no monitoring program required by the Environmental Protection Agency or any other governmental agency concerning the Land; (v) no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under or at the Land, whether by accident, burying, drainage, or storage in containers, tanks,

holding areas, or any other means; (vi) the Land has never been used as a dump or landfill; and (vii) Trustor has disclosed to Beneficiary all information, records, and studies in Trustor's possession or reasonably available to Trustor relating to the Land concerning Hazardous Materials.

Trustor shall not cause or permit any Hazardous Material (as defined below) to be brought upon, kept, stored or used in, on, under, or about the Land by Trustor, its agents, employees, contractors or invitees except for incidental supplies ordinarily used in connection with the construction, rehabilitation, repair, and operation of residential developments and in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Land. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about the Land and results in any contamination of the Land or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Land, Trustor shall promptly take all actions at its sole expense as are necessary to comply with all Environmental Laws (as defined below).

Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold Beneficiary and its elected and appointed officials, officers, agents and employees (collectively, "**Indemnitees**") harmless from and against any and all loss, claim, liability, damage, demand, judgment, order, penalty, fine, injunctive or other relief, cost, expense (including reasonable fees and expenses of attorneys, expert witnesses, and other professionals advising or assisting Beneficiary), action, or cause of action (all of the foregoing, hereafter individually "Claim" and collectively "Claims") arising in connection with the breach of Trustor's covenants and obligations set forth in this Section 7.11 or otherwise arising in connection with the presence or release of Hazardous Materials in, on, under, or from the Property, except to the extent that Claims arise as a result of the gross negligence or willful misconduct of Indemnitees. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of Hazardous Materials, all costs of determining whether the Land is in compliance with Environmental Laws, all costs associated with bringing the Land into compliance with all applicable Environmental Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources.

Without limiting the generality of the foregoing, Trustor shall, at Trustor's own cost and expense, do all of the following:

a. pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust;

b. reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust; and

c. reimburse Indemnitees for any and all expenses, including without limitation out-of-pocket expenses and fees of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Deed of Trust, or in monitoring and participating in any legal or administrative proceeding.

Trustor's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Trustor to receive notice of or consideration for any of the following: (i) any amendment or modification of any Permanent Loan Document; (ii) any extensions of time for performance required by any Permanent Loan Document; (iii) any provision in any of the Permanent Loan Documents limiting Beneficiary's recourse to property securing the Secured Obligations, or limiting the personal liability of Trustor, or any other party for payment of all or any part of the Secured Obligations; (iv) the accuracy or inaccuracy of any representation and warranty made by Trustor under this Deed of Trust or by Trustor or any other party under any Permanent Loan Document, (v) the release of Trustor or any other person, by Beneficiary or by operation of law, from performance of any obligation under any Permanent Loan Document; (vi) the release or substitution in whole or in part of any security for the Secured Obligations; and (vii) Beneficiary's failure to properly perfect any lien or security interest given as security for the Secured Obligations.

The provisions of this Section 7.11 shall be in addition to any and all other obligations and liabilities that Trustor may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Beneficiary or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the Permanent Loan Documents or applicable law. The obligations of Trustor to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Secured Obligations, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Deed of Trust.

Without limiting any of the remedies provided in this Deed of Trust, Trustor acknowledges and agrees that each of the provisions in this Section 7.11 is an environmental provision (as defined in Section 736(f)(2) of the California Code of Civil Procedure) made by Trustor relating to real property security (the "Environmental Provisions"), and that Trustor's failure to comply with any of the Environmental Provisions will be a breach of contract that will entitle Beneficiary to pursue the remedies provided by Section 736 of the California Code of Civil Procedure ("Section 736") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a money judgment for a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, 580d, or 726(b) of the California Code of Civil Procedure.

"**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

"**Environmental Law**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to any Hazardous Material (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the

Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

7.12 Notice of Claims; Defense of Security; Reimbursement of Costs.

a. Notice of Claims. Trustor shall provide written notice to Beneficiary of any uninsured or partially uninsured loss affecting the Property through fire, theft, liability, or property damage in excess of an aggregate of Fifty Thousand Dollars ($50,000) within three business days of the occurrence of such loss. Trustor shall ensure that Beneficiary shall receive timely notice of, and shall have a right to cure, any default under any other financing document or other lien affecting the Property and shall use best efforts to ensure that provisions mandating such notice and allowing such right to cure shall be included in all such documents. Within three business days of Trustor's receipt thereof, Trustor shall provide Beneficiary with a copy of any notice of default Trustor receives in connection with any financing document secured by the Property or any part thereof.

b. Defense of Security. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

c. Compensation; Reimbursement of Costs. Trustor agrees to pay all reasonable fees, costs and expenses charged by Beneficiary or Trustee for any service that Beneficiary or Trustee may render in connection with this Deed of Trust, including without limitation, fees and expenses related to provision of a statement of obligations or related to a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including without limitation any rights or remedies afforded to Beneficiary or Trustee or both of them under Sections 7.16 and 8.2, whether or not any lawsuit is filed, or in defending any action or proceeding arising under or relating to this Deed of Trust, including reasonable attorneys' fees and other legal costs, costs of any disposition of the Property under the power of sale granted hereunder or any judicial foreclosure, and any cost of evidence of title.

d. Notice of Changes. Trustor shall give Beneficiary prior written notice of any change in the address of Trustor and the location of any Property, including books and records pertaining to the Property.

7.13 Indemnification. Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold harmless the Trustee and the Indemnitees (as defined in Section 7.11) from and against all Claims arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Trustor's covenants under any Permanent Loan Document, (b) any representation by Trustor in any Permanent Loan Document which proves to be false or misleading in any material respect when made, (c) injury or death to persons or damage to property or other loss occurring on the Land or in any improvement located thereon, whether caused by the negligence or any other act or omission of Trustor or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which relates to or arises out of the Property, or any Permanent Loan Document or any transaction contemplated thereby, or any failure of Trustor to comply with all applicable state, federal and local laws and regulations applicable to the Property, provided that no Indemnitee shall be entitled to indemnification under this Section for matters caused by such Indemnitee's gross negligence or willful misconduct. The obligations of Trustor under this Section shall survive the repayment of the Permanent Loan and shall be secured by this Deed of Trust. Notwithstanding any contrary provision contained herein, the obligations of Trustor under this Section shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release or reconveyance of this Deed of Trust.

7.14. Limitation of Liability. Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; (iii) any waste committed by Trustor, the lessees of the Property or any third parties, or any dangerous or defective condition of the Property; or (iv) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in managing the Property after an Event of Default, unless the loss is caused by the willful misconduct, gross negligence, or bad faith of Beneficiary. Trustor hereby expressly waives and releases all liability of the types described in this Section 7.14 and agrees that Trustor shall assert no claim related to any of the foregoing against Beneficiary.

7.15 Insurance and Condemnation Proceeds. Subject to the rights of any senior lienholders, any award of damages in connection with any condemnation for public use of, or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply such moneys to any indebtedness secured hereby in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, insurance and/or condemnation proceeds may be used to repair and/or restore the Project.

7.16 Release, Extension, Modification. At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may release or reconvey all or any part of the Property, consent to the making of any map or plat of the Land or part thereof, join in granting any easement or creating any restriction affecting the Property, or join in any extension agreement or other agreement affecting the lien or charge hereof. At any time and from time to time, without liability therefor and without notice, Beneficiary may (i) release any person liable for payment of any Secured Obligation, (ii) extend the time for payment or otherwise alter the terms of payment of any Secured Obligation; (iii) accept additional real or personal property of any kind as security for any Secured Obligation, or (iv) substitute or release any property securing the Secured Obligations.

7.17 Reconveyance. Upon written request of Beneficiary stating that all of the Secured Obligations have been paid in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

7.18 Cure; Protection of Security. Either Beneficiary or Trustee may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary or Trustee to be conclusive as among Beneficiary, Trustee and Trustor; obtaining insurance and/or paying any premiums or charges for insurance required to be carried hereunder; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this Section 7.18 either with or without giving notice, except for notices required under applicable law. Any amounts disbursed by Beneficiary pursuant to this paragraph shall become additional indebtedness secured by this Deed of Trust.

7.19 Limited Partners Right to Cure. Trustor's limited partners shall have the right to cure any default of Trustor hereunder upon the same terms and conditions afforded to Trustor. Beneficiary shall provide any notice of default hereunder to the limited partners concurrently with the provision of such notice to Trustor, at the following address (or such alternate address as the limited partners may designate from time to time in a written notice to the City):

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

As to the limited partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 10.2.

8. Default and Remedies.

8.1 Events of Default. Trustor acknowledges and agrees that an Event of Default shall occur under this Deed of Trust upon the occurrence of any one or more of the following events:

a. Beneficiary's declaration of an Event of Default under any Permanent Loan Document, subject to the expiration of any applicable cure period set forth in such document;

b. Trustor fails to perform any monetary obligation which arises under this Deed of Trust, and does not cure that failure within ten (10) days following written notice from Beneficiary or Trustee;

c. If Trustor's interest in the Property or any part thereof is voluntarily or involuntarily sold, transferred, leased, encumbered, or otherwise conveyed in violation of Section 7.6 hereof or if any other Transfer occurs in violation of the Loan Agreement and Trustor fails to rescind such conveyance or otherwise cure such breach within the time period specified in paragraph j below;

d. Trustor fails to maintain the insurance coverage required hereunder or otherwise fails to comply with the requirements of Section 7.10 hereof and Trustor fails to cure such default within the time specified in Section 7.10;

e. Subject to Trustor's right to contest such charges as provided herein, Trustor fails to pay taxes or assessments due on the Land or the Improvements or fails to pay any other charge that may result in a lien on the Land or the Improvements, and Trustor fails to cure such default within ten (10) days.

f. Any representation or warranty of Trustor contained in or made in connection with the execution and delivery of this Deed of Trust or in any certificate or statement furnished pursuant hereto or in any other Permanent Loan Document proves to have been false or misleading in any material adverse respect when made;

g. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Trustor or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Trustor or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Trustor or

any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

h. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Trustor or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Trustor or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within 60 days after its issuance.

i. The holder of any other debt instrument secured by a mortgage or deed of trust on the Property or part thereof declares an event of default thereunder and exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder's documents; or

j. Trustor fails to perform any obligation arising under this Deed of Trust other than one enumerated in this Section 8.1, and does not cure that failure either within ten (10) days after written notice from Beneficiary or Trustee in the event of a monetary default, or within thirty (30) days after such written notice in the event of a nonmonetary default, provided that in the case of a nonmonetary default that in Beneficiary's reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Default shall not arise hereunder if Trustor commences to cure such default within thirty (30) days and thereafter prosecutes such cure to completion with due diligence and in good faith and in no event later than sixty (60) days following receipt of notice of default.

8.2 Remedies. Subject to the applicable notice and cure provisions set forth herein, at any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below, and may exercise any one or more or all, of the remedies set forth in any Permanent Loan Document, and any other remedy existing at law or in equity or by statute. All of Beneficiary's rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder, including without limitation reasonable attorneys' fees and costs.

a. Acceleration. Beneficiary may declare any or all of the Secured Obligations, including without limitation all sums payable under the Note and this Deed of Trust, to be due and payable immediately.

b. Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

c. Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing copies of all of Trustor's or the then owner's books and records concerning the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments.

d. UCC Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the UCC.

e. Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

f. Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

8.3 Power of Sale. If Beneficiary elects to invoke the power of sale hereby granted, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each County wherein the Property or some part thereof is situated as required by law and this Deed of Trust.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the Property, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the

United States, payable at time of sale. Trustee may, and at Beneficiary's request shall, postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of the trust hereby created, including reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums advanced or expended by Beneficiary or Trustee under the terms hereof and all outstanding sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Without limiting the generality of the foregoing, Trustor acknowledges and agrees that regardless of whether or not a default has occurred hereunder, if an Event of Default has occurred under the Permanent Loan Documents, and if in connection with such Event of Default Beneficiary exercises its right to foreclose on the Property, then: (i) Beneficiary shall be entitled to declare all amounts due under the Note immediately due and payable, and (ii) the proceeds of any sale of the Property in connection with such foreclosure shall be used to pay all Secured Obligations, including without limitation, the outstanding principal balance and all other amounts due under the Note.

At any foreclosure sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the property against the following obligations:

a. First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 7.12(c); and

b. Second, the remaining balance of all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

8.4 Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under the Permanent Loan Documents if the Secured Obligations had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of

Trustor contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

9. Trustor's Waivers. To the fullest extent permitted by law, Trustor waives: (a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary; (b) the benefit of all laws now existing or which may hereafter be enacted providing for any appraisement, valuation, stay, extension, redemption or moratorium; (c) all rights of marshalling in the event of foreclosure; and (d) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind.

10. Miscellaneous Provisions.

10.1 Additional Provisions. The Permanent Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and the Property.

10.2 Notices. Trustor requests that a copy of notice of default and notice of sale be mailed to Trustor at the address set forth below. That address is also the mailing address of Trustor as debtor under the UCC. Beneficiary's address set forth below is the address for Beneficiary as secured party under the UCC. Except for any notice required under applicable law to be given in another manner, all notices to be sent pursuant to this Deed of Trust shall be made in writing, and sent to the parties at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

a. personal delivery, in which case notice shall be deemed delivered upon receipt;

b. certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;

c. nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or

d. facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Beneficiary:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager and Housing Services Administrator

Trustor: UHC 00516 Rancho Cordova, L.P.
2000 E. Fourth Street, Suite 205
Santa Ana, CA 92705
Attention: Chief Operating Officer

Trustee: _____ Title Company
[Address]

10.3 Binding on Successors. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of the Trustor, Beneficiary and Trustee; provided however this Section 10.3 does not waive the provisions of Section 7.6.

10.4 Substitution of Trustee. Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Sacramento County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

10.5 Attorneys' Fees and Costs. In any action or proceeding to foreclose this Deed of Trust or to enforce any right of Beneficiary or of Trustee, Trustor shall pay to Beneficiary and Trustee all costs of such action or proceeding, including reasonable attorneys' fees.

10.6 Governing Law; Severability; Interpretation. This Deed of Trust shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Trustor agrees that any controversy arising under or in relation to this Deed of Trust shall be litigated exclusively in the jurisdiction where the Land is located (the "**Property Jurisdiction**"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Permanent Loan Documents. Trustor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. If any provision of this Deed of Trust is held unenforceable or void, that provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of this Deed of Trust. The captions used in this Deed of

Trust are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

10.7 Waiver, Modification and Amendment. Any waiver by Beneficiary of any obligation of Trustor hereunder must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance. No amendment to or modification of this Deed of Trust shall be effective unless and until such amendment or modification is in writing, executed by Trustor and Beneficiary. Without limiting the generality of the foregoing, Beneficiary's acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver by Beneficiary of its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

10.8 Action by Beneficiary. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Beneficiary is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by Beneficiary's City Manager or by any person who shall have been designated by Beneficiary's City Manager, without further approval by the governing board of Beneficiary. Beneficiary shall use reasonable best efforts to respond to requests for any such approval, notice, direction, or consent in a timely manner. In any approval, consent, or other determination by Beneficiary required hereunder, Beneficiary shall act reasonably and in good faith.

10.9 Joint and Several Liability. If Trustor consists of more than one person or entity, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

10.10 Time is of the Essence. Time is of the essence for each provision of this Deed of Trust.

10.11 Partial Subordination to Extended Use Agreement. Trustor and the California Tax Credit Allocation Committee have or intend to enter into, or concurrently with the execution and delivery of the Permanent Loan Documents are entering into, a Regulatory Agreement (the "**TCAC Regulatory Agreement**"), which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). In the event of a foreclosure of Beneficiary's interest under this Deed of Trust or delivery by the Trustor of a deed in lieu thereof (collectively, a "**Foreclosure**"), the following rule shall apply:

> In the event of a Foreclosure, throughout the extended use period specified in the TCAC Regulatory Agreement, with respect to any unit that had been regulated by the TCAC Regulatory Agreement, (i) none

of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

State of California)
)
County of _____)

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A TO PERMANENT LOAN DEED OF TRUST

Legal Description

(Attach Legal Description.)

Exhibit H

FINANCING PLAN

(Attach form of Developer's Financing Plan.)

FINANCING PLAN

I. CONSTRUCTION AND PERMANENT FINANCING

II. PERMANENT SOURCES OF FUNDING

III. ANNUAL INCOME AND EXPENSES – OPERATING BUDGET

IV. CASH FLOW ANALYSIS

[REMAINDER TO BE ADDED]

Exhibit I

PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

(Attach form of Option Agreement.)

Recording Requested by

and when Recorded, return to:

City of Rancho Cordova

2729 Prospect Park Drive

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

(Crossings at New Rancho, Rancho Cordova, California)

This Purchase Option and Right of First Refusal Agreement (this "Agreement") dated as of _____, 2010, is entered into by and between UHC 00516 Rancho Cordova, L.P., a California limited partnership (the "Partnership") and the City of Rancho Cordova, a municipal corporation ("City') and as acknowledged below, is consented to by UHC 00516 Rancho Cordova Holdings LLC, a California limited liability company ("General Partner"), Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation ("Managing General Partner"), RBC Tax Credit Equity, LLC, an Illinois limited liability company ("Investor Limited Partner") and RBC Tax Credit Manager II, Inc., a Delaware corporation ("Special Limited Partner", and, together with the Investor Limited Partner, the "Limited Partners")) ("Limited Partner").

A. WHEREAS, Partnership owns that certain real property located in Sacramento County, State of California and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Land");

B. WHEREAS, pursuant to that certain Loan Agreement dated as of the date hereof and executed by and between Partnership and City, Partnership has agreed to construct, own and operate on the Land an 18-unit low income housing development (the "Project");

C. WHEREAS, City has provided financing to Partnership for the acquisition of the Land, and has agreed to provide financing to assist in the construction of the Project; and

D. WHEREAS, Partnership desires to grant to City an option and right of first refusal to purchase the Land and the Project.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Option; Term. Partnership hereby grants to City an option (the **"Option")** to purchase the Land and the Project together with all improvements, fixtures and personal property comprising the Project or associated with the physical operation thereof, located at the Project and owned by the Partnership (all of the foregoing,

collectively, the **"Property")** on the terms and conditions set forth in this Agreement upon the close of the fifteenth (15th) full year of the compliance period for the low-income housing tax credits for the Project ("**Compliance Period**") as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**"). The Option may be exercised during the period (such period being referred to herein as the "**Option Exercise Term**") commencing twelve (12) months prior to the end of the Compliance Period.

2. Grant of Refusal Right. If the Partnership receives a bona fide offer to purchase the Property ("**Bona Fide Offer**"), which offer the Partnership desires to accept, City shall have a right of first refusal to purchase the Property (the "**Refusal Right**") on the terms and conditions set forth in this Agreement during the period commencing upon the close of the Compliance Period and ending twelve (12) months thereafter (the "**Refusal Right Term**"), for the price specified in Section 3 hereof. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if City is currently and remains a public body at all times hereafter until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a permitted assignee described in Section 8 hereof, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a permitted assignee described in Section 8 hereof meeting the requirements of Section 42(i)(7)(a) of the Code. Prior to accepting any Bona Fide Offer to purchase the Property , the Partnership shall notify City and the Limited Partners of such offer and deliver to each of them a copy thereof. The Partnership shall not accept any such offer unless and until the Refusal Right has expired without exercise by City in accordance with Section 5 hereof.

3. Purchase Price Under Refusal Right. The purchase price for the Property pursuant to the Refusal Right shall be the lesser of (i) the Option Price, if the Option were being exercised, and (ii) the purchase price set forth in the Bona Fide Offer, sufficient to (i) pay all outstanding indebtedness secured by the Property , and (ii) distribute to the Limited Partners cash proceeds sufficient to enable the Limited Partners to pay on an after-tax basis after any taxes imposed on such distribution, the taxes projected to be imposed on the Limited Partners as a result of the sale pursuant to the Refusal Right. 4. Purchase Price Under Option. The purchase price for the Property pursuant to the Option (the **"Option Price")** shall be the greater of the following amounts, subject to the provisions set forth herein below:

A. Price Formula. The amount sufficient to (i) pay all outstanding indebtedness secured by the Property, and (ii) distribute to the Limited Partners cash proceeds sufficient to enable the Limited Partners to pay on an after-tax basis after any taxes imposed on such distribution, the taxes projected to be imposed on the Limited Partners as a result of the sale pursuant to the Option, and

B. Fair Market Value. (i) The fair market value of the Property, appraised as low-income housing to the extent continuation of such use is required

pursuant to use restrictions applicable to the Project, as reduced by customary costs of a sale, including customary sales commissions (anticipated to be approximately six percent (6%)) with such appraisal to be made by a licensed appraiser, selected as set forth in paragraph (ii) below, who has at least five years experience in Sacramento County, is a member of the Master Appraiser Institute (MAI), and who has substantial experience appraising low-income housing tax credit projects. Fair market value shall be calculated considering the nature of the reserves and any existing restrictions on the use or availability of such reserves.

(ii) The fair market value of the Property shall be determined as follows. Partnership and City shall select a mutually acceptable appraiser who has the qualifications set forth in this Section 4, who shall determine the fair market value of the Property in accordance with the requirements set forth in this Section 4. If the parties are unable to agree upon an appraiser, Partnership and City shall each select an appraiser. If the difference between the two appraisals is less than or equal to ten percent (10%) of the lower of the two appraisals, then fair market value shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower of the two appraisals, then the two appraisers shall jointly select a third appraiser. If the two appraisers are unable jointly to select a third appraiser, either Partnership or City may, upon written notice to the other, request that the appointment be made by the then President of the Sacramento, California Chapter of the American Arbitration Association or his or her designee. If the third appraisal is less than either of the first two, then fair market value shall be the average of the two lowest appraisals. If the third appraisal is greater than the first two, then fair market value shall be the average of the two highest appraisals. If the third appraisal falls between the previous two appraisals, the fair market value shall be the value established by the third appraisal. Partnership and City shall share the cost equally of any appraiser jointly selected or shall pay the costs of the appraiser they each select and shall share the cost equally of any third appraiser.

Notwithstanding the foregoing, if prior to exercise of the Option, the Internal Revenue Service (the "**Service**") has issued a revenue ruling or provided a private letter ruling to the Partnership, the applicability of which ruling shall be determined in its judgment by tax counsel to the Limited Partners, or tax counsel to the Limited Partners has issued an opinion letter concluding that property of the nature and use of the Property may be sold under circumstances described in this Agreement at the greater of the price determined under Section 42(i)(7) of the Code or the price determined under this Section 4 without limiting tax credits or deductions that would otherwise be available to the Limited Partners, then the Option Price shall be such price.

5. Manner of Exercise. City may exercise the Option by delivering to Partnership, at any time during the Option Exercise Term, written notice of such exercise. The notice of exercise shall state that the Option is exercised without condition or qualification.

Any notice of intent to exercise the Refusal Right shall be given within sixty (60) days after City has received the Partnership's notice of a Bona Fide Offer and copy of

such offer pursuant to Section 2 hereof, but in no event later than the expiration of the Refusal Right Term, notwithstanding any subsequent receipt by the Partnership of any such offer. City's notice of intent to exercise the Option or Refusal Right shall specify a closing date that is within one hundred eighty (180) days immediately following the delivery of such notice of intent to exercise the Refusal Right.

6. Completion of Sale.

(a) Prior to the close of escrow on the Property following exercise of the Option or Refusal Right, Partnership shall cause a title company to issue, upon close of escrow, a CLTA Owner's policy of title insurance dated as of the close of escrow, in an amount equal to the purchase price for the Property, showing title to the Property vested in City and showing as exceptions all encumbrances of record.

(b) Escrow for the sale of the Property shall close no later than one hundred eighty (180) days after the end of the Compliance Period (if occurring pursuant to the exercise of the Option) or the Partnership's receipt of City's written notice of exercise of the Refusal Right (if occurring pursuant to the exercise of the Refusal Right), at which time the purchase price shall be due and payable; provided, however, City shall use its best efforts to obtain the consent to the sale of the holders of any mortgages or deeds of trust on the Property (if applicable). Partnership shall convey the Property to City by means of a grant deed. The costs of such sale shall be apportioned between Partnership and City according to the custom then in effect in Sacramento County, California. The following shall apply to the sale of the Property: (i) the sale of the Property shall be on an as-is, where-is basis, without representation or warranty, except such representations or warranties as are customarily included in a grant deed in California; (ii) rents, insurance, taxes and debt service then due and payable shall be apportioned as of the day the grant deed is actually recorded in the official records of Sacramento County, California; and (iii) all reserves maintained in the Partnership in connection with the operation, maintenance or repair of the Property (including, without limitation, the Permanent Operating Reserve and the Replacement Reserve required to be maintained by the Partnership under that certain Loan Agreement between the Partnership and the City (dated as of the date hereof) shall be retained by the Partnership and shall not be transferred to the City.

7. Quitclaim Deed and Termination of Option. Upon termination of the Option and Refusal Right, City agrees, upon Partnership's request, to (a) execute and deliver to Partnership a quitclaim deed, releasing all of City' right, title and interest in and to the Option and Refusal Right, within thirty (30) days after termination of the Option Exercise Term and Refusal Right Term, as applicable, and (b) execute, acknowledge and deliver such other documents as may be reasonably required by Partnership's title company to remove the cloud of the Option and Refusal Right from title to the Property.

8. Assignment. City may not assign any of its rights under this Agreement, without the prior written consent of the Partnership, which consent shall not be unreasonable withheld, conditioned or delayed; provided, however, that the Partnership hereby gives its consent to an assignment to the Community Redevelopment Agency of

the City of Rancho Cordova. Without limiting the grounds on which the Partnership may reasonably withhold its consent to an assignment, the City and the Partnership hereby acknowledge that the Partnership may reasonably withhold its consent to any assignment to a party which is not (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, or (b) an agency of the City of Rancho Cordova, other than the Community Redevelopment Agency of the City of Rancho Cordova. Upon any permitted assignment hereunder, references in this Agreement to City shall mean the permitted assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of City's rights hereunder shall be effective unless and until the permitted assignee enters into a written agreement accepting the assignment and assuming all of City's obligations under this Agreement and copies of such written agreement are delivered to the Partnership, the General Partner, the Managing General Partner, and the Limited Partners. Except as specifically permitted herein, City's rights hereunder shall not be assignable.

9. Notices. Notices, demands and communications between the parties shall be in writing and shall be served personally or by depositing the same in the certified United States mail, return receipt requested, post prepaid, to the parties at the following addresses:

City: The City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Manager [or designee]
Attention: Housing Services Administrator
Facsimile: (916) 851-8787

Partnership: UHC 00516 Rancho Cordova, L.P.
2000 East Fourth Street, Suite 205
Santa Ana, CA 92705
Attn: Chief Operating Officer
Facsimile: (714) 835 3275

General Partner:

Managing General Partner:

Limited Partners: c/o RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300

Cleveland, Ohio 44114
Attention: President and General Counsel

or to such address as either party may have furnished to the other in writing as a place for the service or notice. Any notice so mailed shall be deemed to have been given on the delivery date, or the date that delivery is refused by the addressee, as shown on the return receipt.

10. Attorneys' Fees. In the event of any action or proceeding at law or in equity between any of the parties hereto to enforce any provision of this Agreement or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to the litigation shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees incurred therein by the prevailing party, and if the prevailing party recovers judgment in any action or proceeding, the costs, expenses and attorneys' fees shall be included in and as part of the judgment.

11. Miscellaneous.

(a) Partnership and City each represent and warrant that none has had or will have any dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the transactions contemplated hereby. Each party hereto hereby agrees to indemnify and hold harmless the other party from and against costs, expenses of liabilities for compensation, commissions or charges which may be claimed by any broker, finder or similar party by reason of any actions of the indemnifying party.

(b) The rights and obligations of Partnership and City under this Agreement shall inure to the benefit of, and bind the respective successors and assigns.

(c) The captions used herein are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

(d) Time is of the essence of each and every agreement, covenant and condition of this Agreement.

(e) This Agreement shall be interpreted in accordance with, and governed by, the laws of the State of California.

(f) This Agreement constitutes the entire agreement by and between Partnership and City with respect to the subject matter hereof, and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Partnership and City.

(g) This Agreement shall be recorded in the Official Records of Sacramento County, California.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

THE CITY OF RANCHO CORDOVA,
a California municipal corporation

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

PARTNERSHIP:

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing, a California nonprofit public benefit corporation, its Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company, its Co-General Partner

By: _____
David H. Bigley, Manager

Exhibit A

LAND

(Attach legal description.)

State of California)
)
County of _____)

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
)
County of _____)

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit J

RESERVE AGREEMENT

(Attach form of Reserve Agreement)

REPLACEMENT and OPERATING RESERVE AGREEMENT

THIS REPLACEMENT AND OPERATING RESERVE AGREEMENT ("Agreement") is made as of _____, 2010, by UHC 00516 Rancho Cordova, LP, a California limited partnership ("Borrower"), and the City of Rancho Cordova, a municipal corporation ("Lender").

RECITALS:

A. Pursuant to that certain Loan Agreement (the "Loan Agreement") dated as of even date herewith and executed by and between Lender and Borrower, Lender has agreed to make a bridge loan in the principal amount of $3,800,000 (the "Bridge Loan") and a permanent loan in the principal amount of $4,621,180 (the "Permanent Loan" and together with the Bridge Loan, collectively, the "Loans") to Borrower. The Loans are each evidenced by a promissory note (collectively, the "Notes") executed by Borrower in favor of Lender, each in the aggregate principal amount of the applicable Loan. Each Note is secured by, among other things, a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (collectively the "Deeds of Trust"), executed by Borrower as Trustor, for the benefit of Lender as Beneficiary, encumbering the real property and any and all improvements thereon described on Exhibit A attached hereto and incorporated herein by this reference ("Property").

B. Lender requires as a condition to the making of the Loans that Borrower enter into this Agreement and make certain deposits with Lender as provided in this Agreement.

C. Capitalized terms used and not defined herein have the meanings given in the Loan Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the above and the mutual promises contained in this Agreement, the receipt and sufficiency of which are acknowledged, Borrower and Lender agree as follows:

1. Operating, Shortfall and Replacement Reserves.

(a) Pursuant to Section 4.5 of the Loan Agreement, and Section 11 of the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants dated as of the date hereof and executed by and between Borrower and Lender (the "Regulatory Agreement"), upon completion of Project construction, Borrower shall fund a Permanent Operating Reserve ("Permanent Operating Reserve") in an amount equal to One Hundred Ninety Three Thousand Seven Hundred Forty Seven Dollars ($193,747) and a Shortfall Reserve ("Shortfall Reserve") in an amount equal to Eighty Three Thousand Four Hundred Seventy One Thousand Dollars ($83,471) as shown in the approved Project pro forma. During the first two (2) full years of Project operation, all shortfalls in revenues shall be made up from the Shortfall Reserve, and Borrower and

Lender shall use best efforts to obtain Project-based rental assistance for five(5) units from the SHRA. At the earlier of the receipt of Project-based rental assistance for five (5) units, or the date that is two (2) years from initial occupancy of the Project, the balance of the Shortfall Reserve and the Permanent Operating Reserve shall be combined into a single Operating Reserve ("Operating Reserve"), which shall be maintained in an amount not less than Two Hundred Twenty Five Thousand Dollars ($225,000).

(b) Pursuant to Section 1.2 of the Permanent Note, Borrower is obligated to annually deposit ninety percent (90%) of Surplus Cash (as defined in the Permanent Note) into the Shortfall Reserve.

(c) Pursuant to Section 11 of the Regulatory Agreement, Borrower shall establish a Replacement Reserve ("Replacement Reserve") which upon completion of the Project, shall be funded annually from Gross Revenues. During the first five (5) years following completion of construction, Borrower shall annually deposit into the Replacement Reserve Account the sum of Five Hundred Dollars ($500) per unit per year. Commencing in year 6, the required annual deposit to the Replacement Reserve Account shall be based upon a third-party physical needs assessment to be prepared at Borrower's expense every five (5) years, and may be adjusted if required by the State Department of Housing and Community Development ("HCD") pursuant to the Standard Agreement executed by and between Lender and HCD in connection with the provision of funding for Project construction and/or permanent financing.

(d) The Replacement Reserve shall be held in an account (the "Replacement Reserve Account") maintained by Borrower, in Borrower's name. The Operating Reserve shall be held in an account (the "Operating Reserve Account") maintained by Borrower , in Borrower's name. Notwithstanding the foregoing, Lender ;s prior approval shall be required for Borrower's withdrawals from such accounts.

(e) All of Borrower's interest in any and all funds held in the Replacement Reserve and the Operating Reserve, and Borrower's interest in and to the Replacement Reserve Account itself and the Operating Reserve Account, shall be pledged to Lender as security for the Loans pursuant to the Deeds of Trust. The Replacement Reserve Account and the Operating Reserve Account shall provide expressly that Borrower shall make no withdrawals therefrom without Lender's approval. Upon request of Borrower, Lender shall execute any documents required to facilitate Lender-approved withdrawal of funds by Borrower, and upon request of Lender, Borrower shall execute any documents required to perfect or maintain Lender's security interest in the Replacement Reserve and Replacement Reserve Account and the Operating Reserve and Operating Reserve Account. Any interest on funds in the Replacement Reserve Account and the Operating Reserve Account shall be payable to Borrower.

1.1 Use of the Operating Reserve.

The Operating Reserve shall be used to cover Project operating expenses when annual Project revenue is insufficient to cover such expenses. Upon written

request from Borrower (which request shall have been approved in writing by Investor Limited Partner to the extent required by the Partnership Documents), and Borrower's satisfaction of the requirements set forth in this Section, Lender shall approve withdrawal by Borrower of amounts from the Operating Reserve Account necessary to reimburse Borrower for approved Project operating expenses. In no event shall Lender be obligated to approve any such release any funds from the Operating Reserve Account (i) if Borrower is in default or breach hereunder, or has failed to otherwise observe or perform the terms and conditions of this Agreement, and such default or failure is continuing, (ii) if a Default has occurred and is continuing under any of the Bridge Loan Documents (as defined in the Deed of Trust executed in connection with the Bridge Loan) or under the Permanent Loan Documents (as defined in the Deed of Trust executed in connection with the Permanent Loan and collectively with the Bridge Loan Documents, the "Loan Documents"); (iii) if an act, event or condition shall have occurred that with notice and/or the lapse of time would constitute a Default hereunder or under any of the Loan Documents; or (iv) until Borrower has paid in full any fees, costs and expenses then due and payable under this Agreement or the other Loan Documents.

Each request for Lender's approval of releases from the Operating Reserve shall (a) include any written approval of such release by Investor Limited Partner as may be required under the Partnership Documents, (b) include copies of all invoices for all items or materials purchased, be in a form specified or approved by Lender, and (c) list the specific expense for which the release is requested. With each request, Borrower shall provide Lender with copies of invoices for all items or materials purchased and/or all labor or services provided and, unless Lender has agreed to issue joint check(s) in connection with a particular expense, evidence of payment.

Borrower shall not make a request for approval of releases from the Operating Reserve more frequently than once in any calendar quarter (except in the event of emergency).

2. Use of the Replacement Reserve.

(a) The Replacement Reserve shall be used exclusively to pay the repair or replacement costs of capital items approved by Lender in its reasonable discretion ("Repairs or Replacements").

(b) No portion of the Replacement Reserve shall be used to pay costs of routine maintenance of the Property.

(c) The Replacement Reserve is primarily established to provide adequate cash supplements to replace medium and/or long-term capital improvements. The reserve amount required is not intended to fund the capital items completely, but to provide only a portion of such funds to ensure that the Property is maintained in good condition.

3. Approval of Releases of Replacement Reserve. The following provisions shall apply throughout the term of the Loan to protect Lender's security interest in the Replacement Reserve.

(a) Upon written request from Borrower (which request shall have been approved in writing by Investor Limited Partner to the extent required by the Partnership Documents), and Borrower's satisfaction of the requirements set forth in this Section 3 and in Section 4 of this Agreement, Lender shall approve release to Borrower of amounts from the Replacement Reserve Account necessary to reimburse Borrower for approved costs of Repairs or Replacements upon full completion or, if made pursuant to Section 3(e) below under a written contract, partial completion of such Repairs and Replacements. In no event shall Lender be obligated to approve a release of any funds from the Replacement Reserve Account (i) if Borrower is in default or breach hereunder, or has failed to otherwise observe or perform the terms and conditions of this Agreement, and such default or failure is continuing, (ii) if a Default has occurred and is continuing under any of the Loan Documents; (iii) if an act, event or condition shall have occurred that with notice and/or the lapse of time would constitute a Default hereunder or under any of the Loan Documents; or (iv) until Borrower has paid in full any fees, costs and expenses then due and payable under this Agreement or the other Loan Documents.

(b) Each request for approval of a release from the Replacement Reserve shall include any written approval of such release by Investor Limited Partner, as may be required under the Partnership Documents, include copies of all invoices for all items or materials purchased, be in a form specified or approved by Lender and list (i) the specific Repair(s) or Replacement(s) for which the release is requested, (ii) the quantity and price of each item purchased, if the Repair or Replacement includes the purchase or replacement of specific items (such as appliances), (iii) the price of all materials (grouped by type or category) used in any Repair or Replacement other than the purchase or replacement of specific items, (iv) the costs of all labor or other services involved in the Repair or Replacement for which such request for release is made, and (v) a conditional lien release in form satisfactory to Lender. Borrower may have the option of: (1) paying the expenses incurred directly and submitting a request to Lender for approval of full reimbursement from the Replacement Reserve Account, or (2) for Repair or Replacement of items in an amount greater than $5,000.00, Borrower may request approval of joint check(s). With each request for Lender's approval Borrower shall also certify that all Repairs or Replacements have been made in accordance with all applicable laws, ordinances, and regulations of any governmental office or authority having jurisdiction over the Property or the Repair or Replacement, and shall provide Lender with copies of invoices for all items or materials purchased and/or all labor or services provided and, unless Lender has agreed to issue joint check(s) in connection with a particular Repair or Replacement, evidence of payment.

(c) Borrower shall pay all invoices in connection with the Repair or Replacement with respect to which a release is made prior to submitting a request for release from the Replacement Reserve. Lender, at its option, may approve issuance of joint checks, payable to Borrower and the supplier, materialman, mechanic,

subcontractor or other party to whom payment is due in connection with a Repair or Replacement.

(d) Except as provided in Section 3(e), each request for reimbursement from the Replacement Reserve may be made only after full completion of the Repair or Replacement for which approval of reimbursement is requested. Borrower shall provide Lender evidence, satisfactory to Lender in its reasonable judgment, of completion, as provided in Section 4.1 below.

(e) If (i) the cost of a particular Repair or Replacement exceeds $10,000.00, (ii) a contractor or contractors performing such Repair or Replacement under a written contract require(s) periodic payments, and (iii) Lender has approved in writing in advance such contractor and written contract (including the terms thereunder for such periodic payments), a request for approval of disbursement from the Replacement Reserve may be made after completion of a portion of the work under such contract(s), but only if each of the following conditions have been satisfied as of the date of each requested disbursement: (w) Borrower shall deliver to Lender conditional, partial lien releases with respect to the portion of the work to be paid for in form satisfactory to Lender; (x) no mechanic's or materialmen's liens shall have been filed against the Property; (y) the materials for which the request is made are on site at the Property and are properly secured or have been installed in the Property; and (z) funds remaining in the Replacement Reserve Account are, in Lender's sole judgment, sufficient to complete such Repair or Replacement.

(f) Borrower shall not make a request for approval of release from the Replacement Reserve more frequently than once in any calendar quarter (except in connection with the need for an emergency repair or replacement) and the total cost of all Repairs or Replacements in any request shall not be less than the lesser of $1,000.00 or the final installment due under any installment contract referred to in paragraph (e) above.

4. Performance of Repairs or Replacements.

4.1 Workmanlike Completion.

(a) At all times, Borrower shall complete all Repairs or Replacements in a good and workmanlike manner as soon as practicable following the commencement date of each such Repair or Replacement.

(b) Lender shall have the right to approve all contracts or work orders in excess of $10,000.00, including the materialmen, mechanics, suppliers, subcontractors, contractors or other parties providing labor or materials, in connection with the Repairs or Replacements; and upon Lender's request, Borrower shall conditionally assign any contract or subcontract to Lender.

(c) In the event Lender determines that any Repair or Replacement is not being performed in a workmanlike or timely manner or that any Repair or Replacement has not been completed in a workmanlike manner, Lender shall have the

option to withhold approval for payment for such unsatisfactory Repair or Replacement and to proceed under existing contracts or to contract with third parties to complete such Repair and Replacement and to apply the Replacement Reserve toward the labor and materials necessary to complete such Repair or Replacement.

(d) If Lender determines that Repairs or Replacements are advisable to preserve the condition of the Property or to prevent deterioration of the Property and Borrower does not undertake such Repairs or Replacements within thirty (30) days after notice is given by Lender, that failure shall be a default under this Agreement, and, in addition to any other rights Lender may have under the Loan Documents, Lender may contract with third parties to make such Repairs or Replacements. All sums other than sums drawn from the Replacement Reserve Account expended by Lender toward the labor and materials necessary to complete such Repairs or Replacements shall be deemed to have been advanced under the Loan and secured by the Loan Documents.

(e) In order to facilitate Lender's completion or making of the Repairs or Replacements under Section 4.1(c) or Section 4.1(d) above, Lender is granted the right to enter onto the Property and perform any and all work and labor necessary to complete or make the Repairs and Replacements and/or employ watchmen to protect the Property from damage. All sums other than sums drawn from the Replacement Reserve Account so expended by Lender shall be deemed to have been advanced under the Loan to Borrower and secured by the Loan Documents. For this purpose Borrower constitutes and appoints Lender its true and lawful attorney-in-fact with full power of substitution to complete or undertake the Repairs or Replacements in the name of Borrower. Borrower empowers said attorney-in-fact as follows:

(i) to use any funds in the Replacement Reserve for the purpose of making or completing the Repairs or Replacements;

(ii) to make such additions, changes and corrections to the Repairs or Replacements as shall be necessary or desirable to complete the Repairs or Replacements;

(iii) to employ such contractors, subcontractors, agents, architects and inspectors as shall be required for such purposes;

(iv) to pay, settle or compromise all existing bills and claims which are or may become liens against the Property, or as may be necessary or desirable for the completion of the Repairs or Replacements, or for clearance of title;

(v) to execute all applications and certificates in the name of Borrower which may be required by any of the contract documents;

(vi) to prosecute and defend all actions or proceedings in connection with the Property or the rehabilitation and repair of the Property; and

(vii) to do any and every act which Borrower might do in its own behalf to fulfill the terms of this Agreement.

It is further understood and agreed that this power of attorney is a power coupled with an interest and cannot be revoked. Borrower specifically agrees that all power granted to Lender under this Agreement may be assigned by it to its successors or assigns as holder of the Note.

(f) Nothing in this Section 4.1 shall:

(viii) make Lender responsible for making or completing the Repairs or Replacements;

(ix) require Lender to expend funds in addition to the Replacement Reserve to make or complete any Repair or Replacement;

(x) obligate Lender to proceed with the Repairs or Replacements; or

(xi) obligate Lender to demand from Borrower additional sums to make or complete any Repair or Replacement.

4.2 Inspections.

(a) Borrower shall permit Lender or Lender's representatives (including an independent person such as an engineer, architect or inspector) or third parties making Repairs or Replacements pursuant to Section 4.1(c) or (d) of this Agreement to enter upon the Property during normal business hours (subject to the rights of tenants under their leases) to inspect the progress of any Repairs or Replacements and all materials being used in connection therewith, and to examine all plans and/or shop drawings relating to such Repairs or Replacements which are or may be kept at the Property. Borrower agrees to cause all contractors and subcontractors reasonably to cooperate with Lender or Lender's representatives or such other persons described above when making inspections described in this Section 4.2.

(b) Lender may inspect the Property in connection with any Repair or Replacement prior to releasing funds from the lien of its security interest in the Replacement Reserve for such Repair or Replacement. Lender, at Borrower's expense, also may require an inspection by an appropriate independent qualified professional selected by Lender and/or a copy of a certificate of completion by an independent qualified professional acceptable to Lender prior to any such release.

4.3 Lien-Free Completion.

(a) Borrower covenants and agrees that each of the Repairs and Replacements and all materials, equipment, fixtures, or any other item comprising a part of any Repair or Replacement shall be constructed, installed or completed, as applicable, free and clear of any mechanic's, materialman's or other liens except as

previously approved in writing by Lender, except Borrower may contest such liens in good faith on the terms set forth in the Deed of Trust.

(b) Lender may require Borrower to obtain from any contractor, subcontractor, or materialman an acknowledgment of payment and release of lien to the date covered by the last advance of funds from the Replacement Reserve Account for work performed or materials supplied by that person. Any such acknowledgment and release shall conform to the requirements of applicable law and shall cover all work performed and materials (including equipment and fixtures) furnished for the Property by that contractor, subcontractor or materialman.

4.4 Compliance with Laws and Insurance Requirements.

(a) All Repairs or Replacements shall comply with all applicable laws, requirements, ordinances, rules and regulations of all governmental authorities having jurisdiction over the Property and applicable insurance requirements including, without limitation, applicable building codes, special use permits, environmental regulations, and requirements of insurance underwriters.

(b) In addition to any insurance required under the Loan Documents, Borrower shall provide or cause to be provided workers' compensation insurance, builder's risk, and public liability insurance and other insurance to the extent reasonably requested by Lender or required under applicable law in connection with a particular Repair or Replacement. All such policies shall be in form and amount satisfactory to Lender. All such policies which can be endorsed with standard mortgagee clauses making loss payable to Lender or its assigns shall be so endorsed. The certificates of insurance of such policies shall be delivered to Lender.

5. Loan Documents.

5.1 Default Under the Loan Documents.

Borrower hereby grants and conveys to Lender a security interest in the Replacement Reserve, the Replacement Reserve Account, the Operating Reserve and the Operating Reserve Account and agrees that all of the foregoing are pledged as additional security for the indebtedness evidenced by the Notes and other obligations owing under the Loan Documents. Upon the occurrence of any breach or default hereunder, or upon the failure of Borrower to perform or observe any covenant, agreement or obligation contained herein, upon the occurrence of a Default, Lender, in its sole and absolute discretion, may (i) apply the funds in the Replacement Reserve Account and/or the Operating Reserve Account or any portion of such funds to payment of the indebtedness evidenced by the Note or any unpaid fees, costs or expenses that Borrower is required to pay under this Agreement or any of the other Loan Documents; however, such application of funds shall not cure or be deemed to cure any default; (ii) apply the funds in the Replacement Reserve Account and/or the Operating Reserve Account to reimburse Lender for any losses or expenses (including, without limitation, reasonable legal fees) suffered or incurred by Lender as a result of such default, breach or Event of Default; (iii) apply the funds in the Replacement Reserve Account to make

or complete the Repairs or Replacements as provided in Section 4.1 or any other repair or replacement for the Property; or (iv) apply the funds in the Replacement Reserve Account and/or the Operating Reserve Account in connection with exercising, and exercise of all rights and remedies available to Lender at law or in equity or under this Agreement or any of the other Loan Documents.

5.2 Borrower's Other Obligations.

Nothing in this Agreement shall obligate Lender to apply all or any portion of the Replacement Reserve or the Operating Reserve Account on account of any default by Borrower or to repayment of the indebtedness evidenced by the Note. Nothing contained in this Agreement shall in any manner whatsoever alter, impair or affect the obligations of Borrower, or relieve Borrower of any of its obligations, to make payments and perform all of its other obligations required under the Loan Documents.

6. Remedies Cumulative. None of the rights and remedies conferred upon or reserved to Lender under this Agreement is intended to be exclusive of any other rights, and each and every such right shall be cumulative and concurrent, and may be enforced separately, successively or together, and may be exercised from time to time as often as may be deemed necessary by Lender.

7. Final Release of Reserves, All reserves maintained in the Partnership in connection with the operation, maintenance or repair of the Property (including, without limitation, the Permanent Operating Reserve and the Replacement Reserve required to be maintained by the Partnership under that certain Loan Agreement between the Partnership and the City (dated as of the date hereof) shall be released to the Partnership upon the earlier of: (i) the maturity of Lender's Permanent Loan to Borrower, or (ii) City's purchase of the Property pursuant to that certain Option and Right of First Refusal Agreement between Lender and Borrower of even date herewith.

8. Balance in the Replacement Reserve Account. The insufficiency of any balance in the Replacement Reserve Account shall not abrogate Borrower's agreement to fulfill all preservation and maintenance covenants in the Loan Documents. In the event that the balance of the Replacement Reserve Account is less than the cost to make any Repairs or Replacements required by Lender, Borrower shall, upon demand, immediately deposit the amount of such shortage in the Replacement Reserve Account.

9. Indemnification. Borrower agrees to indemnify and hold Lender harmless from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the performance of the Repairs or Replacements except those arising out of Lender's gross negligence or willful misconduct. Borrower assigns to Lender all rights and claims Borrower may have against all persons or entities supplying labor or materials in connection with the Repairs or Replacements; however, Lender shall not pursue any such right or claim unless Borrower is in default under this Agreement or a Default has occurred under the Loan Documents, or Lender's rights in the Property are impaired.

10. Determination by Lender. In any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Lender or its designated representative at its sole and exclusive option and in its sole and reasonable discretion.

11. Borrower's Records. Borrower shall furnish such financial statements, invoices, records, papers and documents relating to the Property as Lender may reasonably require from time to time to make the determinations permitted or required to be made by Lender under this Agreement.

12. Fees and Expenses. All reasonable costs and expenses incurred by Lender in connection with collecting, holding and disbursing the Replacement Reserve and the Operating Reserve pursuant to this Agreement (including reasonable attorney's fees, costs and expenses) shall be paid by Borrower. All reasonable fees, charges, costs and expenses incurred by Lender in connection with inspections made by Lender or Lender's representatives in making any determinations under this Agreement shall be paid by Borrower.

13. Successors and Assigns Bound; Loan Purchaser. This Agreement shall be binding upon Borrower and Lender and their respective successors and assigns, and shall inure to the benefit of and may be enforced by Lender and its successors, transferees and assigns. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Lender. Borrower acknowledges that upon any purchase of the Loan from Lender, Lender shall assign its rights hereunder to such loan purchaser.

14. No Third Party Beneficiary. This Agreement is intended solely for the benefit of Borrower and Lender and their respective successors and assigns, and no third party shall have any rights or interest in any provision of this Agreement or the other Loan Documents. Nothing contained in this Agreement shall be deemed or construed to create an obligation on the part of Lender to any third party, nor shall any third party have a right to enforce against Lender any right that Borrower may have under this Agreement.

15. No Warranty by Lender. Lender's approval of any plans for any Repair or Replacement, approval of release or release of funds from the Replacement Reserve Account or the Operating Reserve Account, inspection of the Property by Lender or Lender's agents, or other acknowledgment of completion of any Repair or Replacement in a manner satisfactory to Lender shall not be deemed an acknowledgment or warranty to any person that the Repair or Replacement has been completed in accordance with applicable building, zoning or other codes, Requirements, ordinances, statutes, laws, regulations or requirements of any governmental agency.

16. No Agency or Partnership. Nothing contained in this Agreement shall constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender

liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

17. Termination of Replacement Reserve. Lender's rights hereunder and security interest in the Replacement Reserve Account and the Operating Reserve Account and all obligations of Borrower under this Agreement shall remain in full force and effect throughout the term of the Regulatory Agreement.

18. Entire Agreement; Amendment and Waiver. This Agreement contains the complete and entire understanding of the parties and no change or amendment shall be valid unless it is made in writing and executed by the parties to this Agreement. No specific waiver or forbearance for any breach of any of the terms of this Agreement shall be considered as a general waiver of that or any other term of this Agreement. If any provision of this Agreement is in conflict with any provision of the Loan Documents regarding the Replacement Reserve or the Operating Reserve, the provision contained in this Agreement shall control.

19. Notices. All notices and demands given pursuant to the terms hereof shall be given in writing delivered in person, by commercial courier, or by registered or certified mail, return receipt requested, with all postage and fees fully prepaid. Notices shall be considered delivered upon receipt, as indicated by the return receipt if mailed; except that, upon an attempt to effectuate service of notice as provided herein, if the party being given notice either (a) refuses to accept delivery, or (b) has moved and the most recent address given to receive notice has no current registered forwarding address or a registered forwarding address only to a post office or other box, that party shall be deemed to have received the notice. Alternatively, notices may be served by facsimile transmission sent to the party intended to receive the notice, and shall be deemed served upon telephonic or return facsimile acknowledgment by the party receiving the notice that a complete and legible copy of the notice has been received. Notices shall be addressed as set forth in the Loan Agreement.

20. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement pursuant to judicial decree shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

21. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and applicable federal law.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year first above written.

LENDER:

The City of Rancho Cordova,
a California municipal corporation

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

BORROWER

UHC 00516 Rancho Cordova, L.P.,
a California limited partnership

By: Valley Initiative for Affordable Housing,
a California nonprofit public benefit corporation

Its: Managing General Partner

By: _____
Its: _____

By: UHC 00516 Rancho Cordova Holdings, LLC, a California limited liability company
Its: Co-General Partner

By: _____
David H. Bigley, Manager

EXHIBIT "A"

Legal Description

REAL PROPERTY IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

1535546.9

Crossings @ New Rancho

CASH FLOW ANALYSIS

INCOME FROM HOUSING UNITS																
Restricted Unit Rents	2.5%	132,408	135,718	139,111	142,589	146,153	149,807	153,552	157,391	161,326	165,359	169,493	173,731	178,074	182,526	187,089
Program: Project Based Rental Assistance	2.5%	41,220	42,251	43,307	44,389	45,499	46,637	47,803	48,998	50,223	51,478	52,765	54,084	55,436	56,822	58,243
GROSS POTENTIAL INCOME - HOUSING		**173,628**	**177,969**	**182,418**	**186,978**	**191,653**	**196,444**	**201,355**	**206,389**	**211,549**	**216,837**	**222,258**	**227,815**	**233,510**	**239,348**	**245,332**
OTHER INCOME																
Laundry & Vending	2.5%	1,440	1,476	1,512	1,550	1,589	1,629	1,669	1,711	1,754	1,798	1,843	1,889	1,936	1,984	2,034
GROSS POTENTIAL INCOME - OTHER		**1,440**	**1,476**	**1,512**	**1,550**	**1,589**	**1,629**	**1,669**	**1,711**	**1,754**	**1,798**	**1,843**	**1,889**	**1,936**	**1,984**	**2,034**
GROSS POTENTIAL INCOME - TOTAL		**175,068**	**179,444**	**183,930**	**188,528**	**193,242**	**198,073**	**203,024**	**208,100**	**213,303**	**218,635**	**224,101**	**229,704**	**235,446**	**241,332**	**247,366**
VACANCY ASSUMPTIONS																
Restricted Units	10.0%	13,241	13,572	13,911	14,259	14,615	14,981	15,355	15,739	16,133	16,536	16,949	17,373	17,807	18,253	18,709
Laundry & Vending & Other Income	10.0%	144	148	151	155	159	163	167	171	175	180	184	189	194	198	203
TOTAL VACANCY LOSS		**13,385**	**13,719**	**14,062**	**14,414**	**14,774**	**15,144**	**15,522**	**15,910**	**16,308**	**16,716**	**17,134**	**17,562**	**18,001**	**18,451**	**18,912**
EFFECTIVE GROSS INCOME		**161,683**	**165,725**	**169,868**	**174,115**	**178,467**	**182,929**	**187,502**	**192,190**	**196,995**	**201,919**	**206,967**	**212,142**	**217,445**	**222,881**	**228,453**
OPERATING EXPENSES & RESERVE DEPOSITS																
Residential Expenses (w/o Real Estate	3.5%	117,206	121,308	125,554	129,948	134,497	139,204	144,076	149,119	154,338	159,740	165,331	171,117	177,106	183,305	189,721
Replacement Reserve	0.0%	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800
Auto Use Mitigation Plan	0.0%	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
TOTAL EXPENSES & RESERVES		**140,506**	**144,608**	**148,854**	**153,248**	**157,797**	**162,504**	**167,376**	**172,419**	**177,638**	**183,040**	**188,631**	**194,417**	**200,406**	**206,605**	**213,021**
NET OPERATING INCOME		**21,177**	**21,116**	**21,014**	**20,866**	**20,671**	**20,425**	**20,126**	**19,771**	**19,357**	**18,880**	**18,337**	**17,724**	**17,039**	**16,276**	**15,433**
DEBT SERVICE																
1st Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bridge Loan (repaid from Investor equity)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow after CalHFA debt service		**21,177**	**21,116**	**21,014**	**20,866**	**20,671**	**20,425**	**20,126**	**19,771**	**19,357**	**18,880**	**18,337**	**17,724**	**17,039**	**16,276**	**15,433**
CASH FLOW after all debt service		**21,177**	**21,116**	**21,014**	**20,866**	**20,671**	**20,425**	**20,126**	**19,771**	**19,357**	**18,880**	**18,337**	**17,724**	**17,039**	**16,276**	**15,433**
DEBT SERVICE COVERAGE RATIO		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Use of Cash Flow After Debt Service - HCD Projects																
Asset Mgmt./ Similar Fees		15,000	15,000	15,000	15,000	15,000	15,000	15,000	14,828	14,518	14,160	13,753	13,293	12,779	12,207	11,574
Cash Available for Residual Receipts Loans and Sponsor Distributions		6,177	6,204	6,096	5,943	5,736	5,475	5,159	4,953	4,839	4,720	4,584	4,431	4,260	4,069	3,858
Sponsor Distributions	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HCD Residual Payment	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PILOT	100%	5,294	5,279	5,253	5,217	5,168	5,106	5,032	4,943	4,839	4,720	4,584	4,431	4,260	4,069	3,858
Other Residual Payments	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Residual Payments	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Residual Payments	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assumed Max Asset Mgmt/Similar Fees		15,000	15,000	15,000	15,000	15,000	15,000	15,000	14,828	14,518	14,160	13,753	13,293	12,779	12,207	11,574
Profit Distribution to Partnership		88	83	76	65	50	32	10	0	0	0	0	0	0	0	0
Additional Operating Reserve to Project		795	754	684	585	453	287	85	0	0	0	0	0	0	0	0

EXHIBIT H

EXHIBIT H

CONSTRUCTION PERIOD FINANCING							
Source Name	***Lien No.***	***Amount***	***Interest Rate***	***Required Payment***	***Loan Term (months)***	***Tax Exempt Amount***	***Residential Amount***
City Construction Bridge Loan	N	$3,800,000	4.02%	Quarterly During Construcit on	Payable 18 Months from C of O	$3,800,000	$3,800,000
Federal 9% Tax Credit Equity	N	$709,818	0.00%	None	0	$709,818	$709,818
PERMANENT FINANCING							
Federal 9% Tax Credit Equity	N	$2,839,274	0.00%	None	0	$3,549,092	$3,549,092
Neighborhood Stabilization Program	N	$4,621,180	0.00%	None	0	$4,621,180	$4,621,180

EXHIBIT H

ANNUAL INCOME AND EXPENSES - OPERATING BUDGET

ON-SITE EMPLOYEE INFORMATION

No.	FTE	Employee Job Title	Salary/Wages	Value of Free Rent
1	0.25	On-Site Manager(s)	$20,000	$12,264
		On-Site Assistant Manager(s)	$0	$0
		On-Site Maintenance Employee(s)	$0	$0
		On-Site Leasing Agent/Administrative Employee(s)	$0	$0
		On-Site Security Employee(s)	$12,500	$0
		Services Coordinator	$0	$0
				$0
			$0	$0
		Total Salaries and Value of Free Rent Units	**$32,500**	**$12,264**
		Payroll Taxes	$3,088	
		Workers Compensation	$0	
		Employee Benefits	$0	
		On-Site Employee(s) Payroll Taxes, Workers Comp. & Benefits	**$3,088**	
		Total On-Site Employee(s) Expenses	**$35,588**	

Annual Operating Budget

REVENUE - INCOME	Residential
Rent Revenue - Gross Potential:	
Restricted Unit Rents	$132,408
Unrestricted Unit Rents	$0
Tenant Assistance Payments:	
Project Based Rental Assistance**	$41,220
Laundry and Vending Revenue	$1,440
Gross Potential Income (GPI)	***$175,068***
Vacancy Rate: Restricted Units	10.0%
Vacancy Rate: Unrestricted Units	10.0%
Vacancy Rate: Tenant Assistance Payments	0.0%
Vacancy Rate: Laundry & Vending & Other Income	10.0%
Vacancy Loss(es)	$13,385
Effective Gross Income (EGI)	***$161,683***

EXPENSES	Residential
ADMINISTRATIVE EXPENSES	
Conventions and Meetings	$0
Advertising and Marketing	$1,224
Management Fee	$15,000
Social Services Coordinator -- from above	$0
Site/Resident Manager(s) Salaries -- from above	$20,000
Legal Expense -- Project	$3,000
Audit Expense	$2,500
Bookkeeping Fees/Accounting Services	$3,000
Miscellaneous Administrative Expenses	$3,600
Social Programs/Social Services	$7,500
TOTAL ADMINISTRATIVE EXPENSES	*$55,824*

Denotes amount guaranteed by City/Agency in absence of Project Based Rental Assistance Vouchers.

EXHIBIT H

EXPENSE	Residential
UTILITIES EXPENSES	
Electricity	$3,150
Water	$8,334
Gas	$1,800
Sewer	$8,334
Other Utilities: Telephone	$3,600
TOTAL UTILITIES EXPENSES	*$25,218*
OPERATING AND MAINTENANCE EXPENSES	
Payroll -- from above	$12,500
Garbage and Trash Removal	$2,700
Security Contract	$0
Auto Use Mitigation Plan	$12,500
Miscellaneous Operating and Maintenance Expenses	$10,836
TOTAL OPERATING & MAINTENANCE EXPENSES	*$38,536*
TAXES AND INSURANCE	
Real Estate Taxes	$0
Payroll Taxes (Project's Share) -- from above	$3,088
Property and Liability Insurance (Hazard)	$7,200
Other Insurance (e.g. Earthquake)	$2,340
TOTAL TAXES AND INSURANCE	*$12,628*
TOTAL OPERATING EXPENSES	***$132,206***

FUNDED RESERVES	
Required Replacement Reserve Deposits	$10,800
TOTAL RESERVES	*$10,800*

Social Programs/Social Services	$7,500
Asset Management/Similar Fees	75% of Cash Flow Residual Receipts
Payment in Lieu of Taxes (PILOT)	25% of Cash Flow Residual Reciepts

	Per Year
Total Operating Expenses Per Unit	
Without any Adjustments	$6,511
With the Value of Rent-Free Units Included	$6,511
Without RE Taxes, Social Services Coordinator or Social Services/Social Programs and with the Value of Rent Fee Units Included	$6,095

EXHIBIT H

Crossings @ New Rancho *Permanent Sources of Funds*				
USES OF FUNDS	**Total Costs (Residential &**	**Neighborhood Stabilization Program**	**Federal 9% Tax Credit Proceeds**	**Total Residential Sources**
ACQUISITION				
Lesser of Land Cost or Value	$508,100	$508,100		$508,100
Demolition	$89,079	$89,079		$89,079
Legal & Closing Costs	$36,989	$26,989	$10,000	$36,989
Verifiable Carrying Costs	$0	$0		$0
Subtotal	**$634,168**	**$624,168**	**$10,000**	**$634,168**
Total Acquisition	**$634,168**	**$624,168**	**$10,000**	**$634,168**
NEW CONSTRUCTION				
Off-Site Improvements	$180,007	$73,255	$106,752	$180,007
Environmental Remediation	$0			$0
Site Work (hard costs)	$588,025	$420,884	$167,141	$588,025
Structures (hard costs)	$3,007,860	$3,007,860	$0	$3,007,860
General Requirements	$179,208	$138,555	$40,653	$179,208
Contractor Overhead	$159,631	$129,049	$30,582	$159,631
Contractor Profit	$159,631	$89,049	$70,582	$159,631
General Liability Insurance	$46,667	$33,660	$13,007	$46,667
Solar (hard costs)	$210,000	$0	$210,000	$210,000
Total New Construction	**$4,531,029**	**$3,892,312**	**$638,717**	**$4,531,029**
ARCHITECTURAL				
Design	$240,000		$240,000	$240,000
Supervision	$30,000		$30,000	$30,000
Total Architectural Costs	**$270,000**	**$0**	**$270,000**	**$270,000**
SURVEY & ENGINEERING				
Engineering	$143,450		$143,450	$143,450
ALTA Land Survey	$18,000	$5,000	$13,000	$18,000
Total Survey & Engineering	**$161,450**	**$5,000**	**$156,450**	**$161,450**
CONTINGENCY COSTS				
Hard Cost Contingency	$337,540		$337,540	$337,540
Soft Cost Contingency	$91,983		$91,983	$91,983
Total Contingency Costs	**$429,523**	**$0**	**$429,523**	**$429,523**
CONSTRUCTION PERIOD EXPENSES				
Construction Loan Interest	$80,000		$80,000	$80,000
Origination Fee	$40,000		$40,000	$40,000
Credit Enhancement & App. Fee	$0			$0
Owner Paid Bonds/Insurance	$45,296		$45,296	$45,296
Lender Inspection Fees	$30,000		$30,000	$30,000
Taxes During Construction	$5,594		$5,594	$5,594
Prevailing Wage Monitor	$35,000		$35,000	$35,000
Insurance During Construction	$45,955		$45,955	$45,955
Title and Recording Fees	$10,000		$10,000	$10,000
Construction Mgmt. & Testing	$55,000	$30,000	$25,000	$55,000
Predevelopment Interest Exp.	$0			$0
Guarantee Fees	$97,000		$97,000	$97,000
City Closing Costs	$50,000		$50,000	$50,000
Total Construction Expenses	**$493,845**	**$30,000**	**$463,845**	**$493,845**

EXHIBIT H

LEGAL FEES				
Construction Lender Legal Expenses	$25,000		$25,000	$25,000
Permanent Lender Legal Fees	$0			$0
Sponsor Legal Fees	$107,500		$107,500	$107,500
Organizational Legal Fees	$12,500		$12,500	$12,500
Syndication Legal Fees	$0			$0
NSP RA/LA Formation Fees	$55,000		$55,000	$55,000
Total Legal Fees	$200,000	**$0**	**$200,000**	**$200,000**
CAPITALIZED RESERVES				
Operating Reserve	$193,747		$193,747	$193,747
Replacement Reserve				$0
Rent-Up Reserve				$0
Permanent Operating Reserve				$0
Shortfall Reserve	$83,471		$83,471	$83,471
Other:	$0			$0
Total Capitalized Reserves	**$277,218**	**$0**	**$277,218**	**$277,218**
REPORTS & STUDIES				
Appraisal(s)	$21,000	$16,700	$4,300	$21,000
Market Study	$18,000	$18,000		$18,000
Physical Needs Assessment	$0			$0
Environmental Studies	$27,000	$27,000		$27,000
LEED Certification Fees	$55,000		$55,000	$55,000
Soils Report	$52,500	$8,000	$44,500	$52,500
Total Reports & Studies	**$173,500**	**$69,700**	**$103,800**	**$173,500**
OTHER				
CTCAC App./Alloc./Monitor Fees	$32,000		$32,000	$32,000
Furnishings	$72,000		$72,000	$72,000
Marketing	$54,000		$54,000	$54,000
School Fees	$156,842		$156,842	$156,842
Development Impact Fees	$168,697		$168,697	$168,697
Fire Impact Fees	$9,000		$9,000	$9,000
Electrical Hook Up Fees	$36,000		$36,000	$36,000
Total Other Costs	**$528,539**	**$0**	**$528,539**	**$528,539**
SUBTOTAL	**$7,699,272**	**$4,621,180**	**$3,078,092**	**$7,699,272**
DEVELOPER COSTS				
Developer Fee/Overhead/Profit	$414,000		$414,000	$414,000
Planning & Building Fees	$45,000		$45,000	$45,000
Audit	$12,000		$12,000	$12,000
Total Developer Costs	**$471,000**	**$0**	**$471,000**	**$471,000**
TOTAL DEVELOPMENT COST	***$8,170,272***	***$4,621,180***	***$3,549,092***	***$8,170,272***

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director

SUBJECT: **RESOLUTIONS AUTHORIZING THE CITY MANAGER TO AWARD A CONSTRUCTION CONTRACT WITH DESILVA GATES CONSTRUCTION IN AN AMOUNT OF 8,995,555, AND CONSTRUCTION MANAGEMENT CONTRACT WITH SALABER ASSOCIATES, INC. IN AN AMOUNT OF $743,000, FOR THE FOLSOM BOULEVARD STREETSCAPE ENHANCEMENT PROJECT**

RECOMMENDATION

That Council:

a) Adopt Resolution No. 132-2010 with DeSilva Gates Construction; and

b) Adopt Resolution No. 133-2010 with Salaber Associates, Inc.

RESULT OF RECOMMENDED ACTION

Adoption of these resolutions will authorize the City Manager to execute two contracts associated with the Folsom Boulevard Streetscape Enhancement Project. Construction Contract Change No. 152-2010 with DeSilva Gates Construction in the amount from $8,995,555 and Construction Management Contract No. 153-2010 with Salaber Associates, Inc. in the amount of $743,000.

The work to be performed under this contract includes the furnishing of all labor, materials, and equipment for the placement of curb, gutter, sidewalks, bicycle lanes, and ADA ramps. Also included are signing and traffic striping, planted raised medians, drainage improvements, traffic signals and lighting improvements, undergrounding of overhead electrical lines and construction of a tie back retaining wall with aesthetic treatment within the limits of work between Mather Field Road and Kilgore Road on Folsom Boulevard

The contract with Salaber Associates includes all construction management and inspection services. These include pre-construction services such as bid review, preparation of a construction management plan and construction plan, and permit review. Construction services will consist of inspection and documentation of all construction activities, assurance of quality control, and enforcement of Federal and State regulations, permit compliance, labor compliance, community outreach and change order negotiation as well as all other construction related activities. Post construction tasks will be to perform final quantities and prepare final estimates, prepare final as-built drawings and assist the City with post-completion dispute resolutions if necessary.

BACKGROUND

The Folsom Boulevard Enhancement Project consists of improvements outlined in the Folsom Boulevard and Mather Road Streetscape Master Plan and the Folsom Boulevard Specific Plan. These improvements identify the need for improving pedestrian, bicycle, and motorist safety, as well as, improving the connectivity along Folsom Boulevard and beautification of the corridor.

In December 2007, staff presented the proposed scope of the project and City Council approved the award of a contract to Mark Thomas and Company for engineering design of the Folsom Boulevard Enhancements Project.

The Environmental Document was certified in August 2010 and Rights-of-Way agreements have been reached with all property owners.

Construction Contract

Bids were solicited on the City's Website and the Sacramento, Placer and El Dorado County Builders Exchanges beginning September 27, 2010. The project was also advertised in the Grapevine Independent on October 1, 2010, October 8, 2010 and October 15, 2010. The bids were publicly opened on October 28, 2010 at City Hall.

A total of five (5) contractors bid on the project. The lowest bid received was $8,995,555 the average bid was $9,763,984 and the highest bid was $10,634,530. The Bid Summary Sheet is provided in Exhibit A of Resolution 132-2010.

Construction Management Contract

Staff issued a Request for Proposal to solicit proposals for Construction Management Services. The City received thirteen (13) proposals from consulting firms. The proposals were ranked by City staff based on qualifications and experience with similar projects. Five (5) firms were short listed and interviewed on July 21, 2010.

City staff selected Salaber Associates, Inc. from the five firms interviewed and recommends them based on the content of their proposal, experience with similar projects, knowledge of the Federal Aid process, workload, and track record with maintaining construction schedule and budget.

PROJECT FUNDING

The total project cost for the Folsom Boulevard Streetscape Enhancement Project is approximately $13,000,000. Funding for this project consists of $8,900,000 from Federal Grants and $680,000 from the State Safe Routes to School Program. The remaining balance will be funded from Measure A revenues.

This project is included in the City's current approved Capital Improvement Plan (CIP) and is included in the 10/11 budget.

ATTACHMENTS

1. Resolution 132-2010 including Exhibit A
2. Resolution 133-2010 include Exhibit A

ATTACHMENT 1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 132-2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH DESILVA GATES CONSTRUCTUION INC. FOR THE CONSTRUCTION OF THE FOLSOM BOULEVARD STREETSCAPE ENHANCEMENT PROJECT

WHEREAS, bids were solicited to the Sacramento County, El Dorado County and Placer County Builders Exchange beginning September 27, 2010. The project was also advertised in the Grapevine Independent on October 1, 8, and 15, 2010; and

WHEREAS, the bids were publicly opened on October 28, 2010 at 2729 Prospect Park Dr., Rancho Cordova 95670; and

WHEREAS, the City recommends awarding the International Drive Extension Project to the lowest responsive bidder DeSilva Gates Construction Inc., in the amount of $8,995,555. See **Exhibit A** Bid Summary Sheet; and

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA does authorize the City Manager to execute a contract with DeSilva Gates Construction, Inc. in an amount of $8,995,555 and in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

Folsom Boulevard Street Scape Enhancements Phase 2A and 2B
Rancho Cordova City Hall
2729 Prospect Park Drive, Rancho Cordova, CA 95670
October 28, 2010 at 3:10 PM

Letter Designation	Contractor	Grand Total Bid Amount	Addendum 1	Addendum 2	Addendum 3	Addendum 4	Addendum 5	Proposal Signed	Contractor's License	List of Subs	Equal Employment	Contract Code	Non-Collusion	Debarment Suspension	Nonlobbying Cert	Bidders Bond	DUNS Number
A	**Desilva Gates Construction**	**$ 8,995,555.00**	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
B	**McGuire and Hester**	**$ 9,548,544.42**	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
C	**Teichert Construction**	**$ 9,608,450.45**	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
D	**Western Engineering Contractors Inc.**	**$ 10,032,845.10**	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
E	**Granite Construction Company**	**$ 10,634,530.65**	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
F																	

Attendees:
Bren Lehr, Deputy City Clerk
Kathy Garcia, Public Works
Britton Snipes, Public Works
Travis Evans, Public Works

Bren Lehr, Deputy City Clerk

EXHIBIT A

ATTACHMENT 2

CITY OF RANCHO CORDOVA

RESOLUTION NO. 133-2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH SALABER ASSOCIATES INC. TO PROVIDE CONSTRUCTION MANAGEMENT SERVICES ASSOCIATED WITH THE FOLSOM BOULEVARD STREETSCAPE ENHANCEMENT PROJECT

WHEREAS, the City of Rancho Cordova wishes to contract with a professional engineering firm to provide the construction management services for the Folsom Boulevard Streetscape Enhancement Project; and

WHEREAS, the City of Rancho Cordova wishes to contract with Salaber Associates Inc. for services outlined as **Exhibit A** in an amount not to exceed $743,000; and

WHEREAS, the cost of those services will exceed the maximum amount that the City Manager has authorization to approve.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute a contract with Salaber Associates Inc., in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

EXHIBIT A

SCOPE OF SERVICES

I. Project Background

[PROJECT]

II. Project Description

The CITY is contracting with CONSULTANT to provide professional construction management, inspection, and materials testing services during construction. Work shall be performed in accordance with applicable City and Caltrans standards and standard practice.

III. Items of Work

The CITY contracts with the CONSULTANT to provide all required construction engineering services necessary to provide project inspection, materials testing, and construction management services of the Folsom Boulevard Streetscape Enhancements – Phase 2A & 2B. The intent of the contract is to have the CONSULTANT provide a Resident Engineer and inspectors for inspection, materials testing, and construction management services. The work product shall meet the minimum requirements identified in Exhibit "A".

Project Inspection, materials testing, construction management, and related construction engineering services shall include the following tasks:

Task 1. Construction Management, Field Inspection, and Materials Testing

The intent of this scope of work is to set forth the requirements and responsibilities of the CONSULTANT for construction management, inspection, material testing, verification, and recommendation for acceptance of improvements of the proposed construction project to assure consistent and satisfactory quality of such improvements in accordance with the approved construction documents.

The CONSULTANT will provide a Construction Manager (CM) / Resident Engineer and sufficient staff to perform construction administration oversight and inspection services during the construction of the various phases of the Folsom Boulevard Streetscape Enhancements – Phase 2A & 2B. All CONSULTANT staff shall work under the supervision of the CONSULTANT. These services will encompass serving as the CITY'S Resident Engineer and inspectors to the Construction Contractor(s) with regard to activities at the construction site. The CONSULTANT's Construction Manager shall be a licensed Professional Civil Engineer Registered in the State of California.

The CONSULTANT's services will include documentation of pre-construction site conditions, interpretation of and Contractor's conformance to the project plans, specifications, contract documents and regulatory permits. The CONSULTANT will assess the acceptability of the Contractor's work by visual observation, photo and video documentation and all applicable soil and material testing. When necessary, the CONSULTANT shall issue Notices of Non-Compliance and/or take other action to ensure correction of deficiencies. If safety violations are observed, the CONSULTANT shall take appropriate action to ensure correction. The CONSULTANT shall also manage requests for clarification, coordinate work with the design engineer as required and manage the project changes, evaluate Contractor's claims and prepare progress pay estimates.

All construction management, inspection and related activities shall be completed as described in the Construction Management Plan (CMP) Manual prepared by the CONSULTANT specifically for this project and approved by the CITY. In addition to the approved CMP Manual the CONSULTANT shall perform its activities in accordance with but not limited to the following documents:

- Approved Project Documents and Plans
- Regulatory Agency Permits
- City/County Standards
- Rancho Cordova General Specifications
- City of Rancho Cordova Construction Procedures Manual
- Caltrans Construction Records and Procedures Manual
- Caltrans Standard Test Methods
- Caltrans Surveying Manual
- Caltrans Manual of Traffic Control for Construction & Maintenance Work Zones
- Public Works Inspectors Manual, 4th Edition
- Caltrans LAPM and LAPG

Task 1a. Construction Management Plan

The CONSULTANT shall prepare a construction management plan (CMP) for the project for CITY approval. The plan shall indicate the standards and level of effort that the CONSULTANT's staff will adhere to during all phases of this work and describe deliverables to be received by the CITY. At a minimum, the CMP shall include the sections listed below:

1. Project Organization
2. Meetings
3. Communications Management
4. Preparation of Management Reports
5. Clarifications and Contract Interpretations of Specifications
6. Submittals/Shop Drawings
7. Design Modifications
8. Change Orders
9. Schedule Management
10. Claims Management
11. Testing and Testing Documentation
12. Progress Pay Estimate Preparation
13. Inspection and Inspection Reporting
14. Defective Work Correction
15. Record Drawings
16. Complaint & Community Relations Procedures
17. Safety
18. Photo/Video Documentation
19. Certified Payroll Review, DBE Compliance and Labor Compliance

20. Preparation of documentation as needed for ARRA funds and other Federal, State and local funds
21. Special Inspections
22. Other Tasks

The CMP shall describe the level of effort anticipated to be maintained by the Construction Manager and inspectors for the various activities during the construction period and project closeout. The CMP shall describe all deliverables and timing for periodic reports. Weekly status reports shall include summaries of work that is currently being performed, behind schedule, unresolved deficiencies and defective work, outstanding change orders and status of any claims. Consultants may refer to the City of Rancho Cordova Constructions Procedures Manual as applicable.

Task 1b. Documentation of Pre-Construction Conditions

CONSULTANT shall document pre-construction site conditions using photographs, written notes and/or video. Special or sensitive areas shall be noted and extra documentation may be required for these special or sensitive areas. Each photo shall be labeled with date, location, detailed description and photographer's name. Copies of all documentation, including photographs, notes, and video, shall be submitted to the City's Engineer and become the property of the CITY

Task 1c. Meetings

Anticipated meetings include a pre-construction meeting with the Contractor, CITY, regulatory agencies, grant agencies, and utility companies. Periodic meetings shall include daily discussions between the CM or designated representative and the Contractor; weekly meetings between the CM and CITY; and meetings scheduled as needed with regulatory agencies, other groups, or agencies. CONSULTANT shall prepare agendas and detailed meeting notes of all meetings and provide these documents to the CITY at the next regularly scheduled meeting.

Task 1d. Schedule Review

The CONSULTANT shall review the Contractor's construction schedule, request updates on weekly basis and track delays or accelerations based on actual Contractor operations as defined in the CMP.

Task 1e. Cost Control and Monthly Progress Payments

The CM shall implement necessary procedures for an effective system of cost control to track progress payments, contract change orders, claims and extra work requests. The Construction Manager shall prepare quantities and estimates for monthly progress payments on a monthly basis to the satisfaction of the CITY, and recommend approval to the CITY. CONSULTANT shall maintain cost accounting records (progress payments, CCO status, etc.) in accordance with Rancho Cordova DPW Construction Division procedures. The calculations of quantities and documentation shall be in a form approved by the CITY.

Task 1f. Contract Modifications and Extra Work, Contract Change Orders, Claims

The CM shall perform the evaluation and administration of all contract modifications, requests for information, change orders, and claims. The CM shall review all requests for merit, perform an independent estimate, and make recommendations to the CITY for consideration. All contract modifications, extra work, and contract change orders shall be approved by the CITY. If approved, the CM will complete all required documentation to process the change. If the CM receives a notice of claim from the Contractor, the CM shall immediately notify the CITY and work toward a timely resolution of the claim with the Contractor. Status of any outstanding claims will be included with the CONSULTANT's weekly report to the CITY.

Task 1g. Submittals and Clarifications

The CM shall issue necessary clarifications and interpretations of the Contract Project Documents in response to requests by the Contractor in a manner as described in the CMP. The CM shall also accept and process submittals, including but not limited to shop drawings, product data and product samples. The CM shall draft a list of required submittals in accordance with the project Specification for the City to review. The list shall be submitted to the City no later than 15 days after award of the Contract. The CM shall review those submittals that are appropriate. Submittals requiring review by the CITY shall be logged and transmitted for formal review. The following Logs shall be utilized to track submittals: Shop Drawing, Shop Drawing-Resubmit, Shop Drawing-Review, Submittal List. Updated submittal logs shall be made available to the City upon request. The CM shall be responsible for tracking submittals to assure the submittals are reviewed and returned to the Contractor in a timely manner.

Task 1h. Field Inspection

The CONSULTANT shall provide sufficient inspectors to adequately inspect all Contractors' construction work. The CM or inspectors shall provide field observation of Contractor's construction work on a daily basis. The CM or inspectors will review all construction prior to burial, and provide for observation of all tests required to be performed by the Contractor or referenced in the contract documents. CM and field inspectors shall monitor the Contractor's performance from the perspective of quality, cost, and schedule, and shall enforce the requirements of applicable Specifications. Daily Inspection Reports and diaries of Contractor's construction activities shall be completed daily and be available to the Resident Engineer at any time. The CM or designated representative shall compare notes with the Contractor's representative at the end of each day to confirm work that was accomplished or quantities placed.

Daily inspection reports shall include, at a minimum, the following information: the number, classification and hourly summary of activity of Contractor's employees working, material deliveries, number, type and hourly summary of Contractor's equipment on site – both working and not used, weather conditions, discussions with the Contractor, problems and issues dealt with, changes, work completed on the day, itemization of extra work, and any other information necessary to create a satisfactory record of the days activities at the project site in accordance with standard inspection practice. Abnormal occurrences and unforeseen conditions shall be noted in the reports. The CONSULTANT will document special situations by photograph, written record and/or video.

The CM shall prepare and submit written weekly reports to the CITY describing updates of project process, percent of work completed, percent of funds expended, listing of change orders, and community relations issues. All outstanding deficiencies and claims shall also be noted in the weekly reports. The CM shall document any defective work until it is repaired to the CM's satisfaction and in accordance with the contract documents' applicable specification. Copies of the daily reports from the previous week will be included with the weekly written report.

Task 1i. Testing

The CONSULTANT shall provide, coordinate and monitor all field and laboratory testing of soils, backfill, structural backfill, aggregate base, asphalt, concrete, and other testing required by law, or the Construction Specifications. Certified technicians shall complete all testing work and all laboratory facilities shall be certified to perform the respective tests and be approved by the CITY. The CM will review results of tests, forward copies to the CITY as a part of the weekly reports and work with the Contractor to resolve deficiencies or defective work. All test procedures will be in accordance with the Contract Documents and applicable Specifications.

Task 1j. Final Completion and Acceptance

After the project is substantially complete, the CM will schedule a walk through with the CITY and shall coordinate preparation of a "punch list" of incomplete or unsatisfactory items and submit the list to the Contractor. Once all work is complete, the CONSULTANT will deliver a statement to the CITY indicating that to the best of the CONSULTANT'S knowledge and belief, after diligent investigation including satisfaction of its other obligations under the agreement, that the project has been completed in accordance with the Project Conditions of Approval and Project Improvement Plans Construction Contract documents and CONSULTANT recommends acceptance. A Proposed Final Estimate signed by the CM and the CONTRACTOR shall accompany the recommendation for acceptance.

Task 1k. Other Tasks

As part of the inspection and construction administration activities the CONSULTANT shall include the tasks listed below as part of the overall project activities:

1. Inspect traffic control and erosion control measures as often as necessary to assure activities meet with the approved plans and submittals.
2. Provide community relations outreach effort by providing information on areas to be under construction to CITY for publication in newspapers and radio and tracking and resolving community complaints.
3. Inspect existing and proposed structures, landscaping and other improvements within the right-of-way and public easements for damage.
4. Any damage identified shall be documented and tracked until the Contractor repairs the damage to pre-project conditions or to plans and specifications.
5. Review weekly certified payrolls for compliance with State and Federal Wage Rate Requirements. The CONSULTANT shall enforce the requirements of the California Labor Code as they pertain to the Project. The detailed description of the Labor Code requirements are described in Section 7 of the State Standard Specifications.

The CONSULTANT shall also review the certified payrolls submitted by the Contractor for full conformance with Section 7 of the State Standard Specifications.

6. Notify the CITY of any errors or omissions that are found on the plans or specifications during construction within two working days after such errors are discovered.
7. Manage any utility work to be performed by utility agencies (work not part of Contractor's responsibilities).

Task 1I. Project Closeout

The CONSULTANT shall verify any operating and/or Regulatory Agency Permits are obtained and inspections are complied with and completed.

The CONSULTANT will submit to the CITY, the following close out items:

1. All records, maps, and plans maintained by the CONSULTANT during construction.
2. All approved shop drawings, submittals and manufacturer's literature maintained by the CONSULTANT during the construction project.
3. One complete set of annotated project progress photographs, bound chronologically, and videotapes taken before and during construction.
4. One set of record drawings of field changes in neat red pencil.
5. The original set of all inspection reports, summaries, testing documents, meeting minutes, clarifications, schedules, correspondence and other documents related to the construction work as it was being installed.
6. A set of red line Record Drawings documenting any changes and/or substitutions that have been reviewed for accuracy and completeness by the CONSULTANT and a recommendation for the City to accept the Record Drawings.

IV. Consultant Staffing

The CONSULTANT proposes to use Bob LoRusso, P.E., LEED AP as the onsite Construction Manager (Resident Engineer) for this contract. Additional staff and sub-CONSULTANTs are to be brought in on an as-needed basis. The CITY maintains the right to request additional staff if, in its opinion, there is inadequate coverage during any phase of the project. In the event there is a need to substitute key personnel by the CONSULTANT for construction management or inspection responsibility, the CONSULTANT shall only substitute personnel after submitting resumes and obtaining specific written approval by the CITY for the replacement staff in these key positions.

The City of Rancho Cordova Director of Public Works shall have the authority to reject the Construction Manager, field inspection personnel, or testing technicians in the event of unsatisfactory performance by said personnel in the opinion of the CITY. The CONSULTANT shall provide qualified replacement staff acceptable to the CITY. In Addition, CITY reserves the right to employ CITY personnel to perform any or all portions of construction management, project inspection, materials testing, and/or clerical support in lieu of CONSULTANT's personnel at any time for any reason.

VI. Record Retention

The CONSULTANT shall retain all records for inspection by the CITY, state, FHWA, or their duly authorized representatives for a period of at least three (3) years after final payment to CONSULTANT. This requirement also applies to all of CONSULTANT's subcontracts in excess of $25,000.

VI. Other

The CONSULTANT is not responsible for breaches by the Construction Contractor with the CITY, unless such breach is caused or contributed to by the CONSULTANT's negligence or by its failure to perform its obligations under the agreement between the CONSULTANT and the CITY. The CONSULTANT will support the CITY in any post-completion dispute with the Contractor, rendering reasonable assistance, providing access to its records, but is not required to incur out of pocket costs such as retaining independent experts. CONSULTANT shall be reimbursed at the standard hourly rates in support of post construction disputes for time spent beyond those defined in the cost proposal.

The CONSULTANT and all SUBCONSULTANTS shall comply with California Labor Code Sections 1774, 1775, 1776, and related codes including the submission of certified payroll.

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Chief Building Official

SUBJECT: **SECOND READINGS OF ORDINANCES ADOPTING LOCAL BUILDING CODES**

RECOMMENDATION

a.) Conduct a public hearing; and
b.) Waive second readings and adopt Ordinance Nos. 22-2010 through 31-2010.

RESULT OF RECOMMENDED ACTION

The recommended actions will result in the City's building codes being updated to current industry best practices and to coincide with new codes mandated by the state of California.

BACKGROUND

Every three years, the California Building Standards Commission, along with other state agencies, reviews and amends Title 24 of the California Code of Regulations, a.k.a. the California Building Standards Code (the "CBSC"). The 2010 CBSC have an effective date of January 1, 2011 and include the following:

1. Ordinance No. 22-2010; and
2. Ordinance No. 23-2010; and
3. Ordinance No. 24-2010; and
4. Ordinance No. 25-2010; and
5. Ordinance No. 26-2010; and
6. Ordinance No. 27-2010; and
7. Ordinance No. 28-2010; and
8. Ordinance No. 29-2010; and
9. Ordinance No. 30-2010; and
10. Ordinance No. 31-2010.

Although it is not a part of the CBSC, staff also recommends that the Council amend Chapter 16.36, "Swimming Pools," which adopts the 2009 edition of the Uniform Pool, Spa and Hot Tub Code.

These codes are applicable and enforceable at the local level. The City of Rancho Cordova may amend the CBSC as necessary to account for local climatic, geological or

topographical conditions, or to clarify code requirements locally where state application is absent or unclear, but the City may not lessen the standards found in the adopted building codes.

AMENDMENT DRAFTING PROCESS

The overall philosophy of the adoption has been to keep the mandatory code requirements to the minimum specified by model code organizations. These code organizations promulgate codes based on many years of development, and tens of thousands of hours from professionals of many jurisdictions. Every aim was taken to avoid the addition of unnecessary restrictions.

Even though the goal was to minimize the amendments, several amendments have been made. Some are a result of coordination with local requirements by SMUD and/or the Sacramento Metropolitan Fire District. All modifications to building standards are connected to climactic, geographic and/or topographical findings as required by state regulation. Most of these are continuations of existing practices and amendments to previous code adoptions. See **Attachment 1** for a brief description of each locally proposed amendment to a building standard.

FINDINGS AND FILING REQUIREMENTS

State law requires that all local amendments to building standards in the California Building Standards Code be filed with the California Building Standards Commission. When filed, the amendments must be accompanied by local findings identifying the local climatic, geological or topographical conditions necessitating the changes. A Resolution of Findings in the form of Resolution No. 113-2010 was adopted on October 18, 2010. The filing will be made subsequent to the Council's adoption of the attached ordinances.

2010 CALIFORNIA BUILDING CODE APTION AND SIGNIFICANT CHANGES

Many of the amendments to the 2010 California Building Code were statutory provisions resulting in very few significant changes to building designs and permitting requirements. The codes are adopted by local jurisdictions by adopting Ordinances that incorporate the codes by reference and allow local amendments thereto. **Ordinance Nos. 22-2010 through 31-2010**, **Attachments 2 through 11,** amend or add new chapters to the Ranch Cordova Municipal Code.

The most significant changes to the California Codes occur due to the adoption of the 2010 California Residential Code, the 2010 Energy Code and the 2010 California Green Building Code.

2010 California Residential Code

The 2010 California Residential Code (CRC) represents the first time a specific residential code has been adopted in California. The 2010 CRC consolidates and contains the building code requirements applicable to one and two family dwellings up to three stories in height, including townhouses up to three stories in height. The 2010 CRC is intended to provide residential designers with a consolidated code that contains all code requirements for residential building projects. The 2010 CRC is a prescriptive code which allows designers to design regularly shaped buildings of many materials without

the involvement of professional engineers or architects. Provisions are provided within the code addressing general building requirements, energy efficiency requirements, structural, mechanical and plumbing requirements and electrical requirements.

One of the most significant new requirements contained in the 2010 CRC is Section R313 which requires fire sprinklers for all new townhomes and one and two family dwellings. Section R313 contains provisions for fire sprinkler system piping, sprinkler head ratings, location and coverage of fire sprinklers, water supply, inspection requirements and more. The 2010 CRC does not require fire sprinklers when performing alterations or additions to existing residential buildings when a fire sprinkler system does not already exist.

2010 California Energy Code

The 2010 California Energy Code (CEC) contains requirements related to the 2008 California Building Energy Efficiency Standards which went into effect January 1, 2010. Significant changes required by the 2008 California Building Energy Efficiency Standards, applicable to both residential and non-residential buildings, include requirements for high reflectance and high emittance for roofing products used on steep sloped roofs often referred to as the cool roof requirements. Steep sloped roofs include roofs with a roof slope in excess of 2:12.

2010 California Green Building Code

The 2010 California Green Building Code (GBC) is the first code of its type in the nation. Included within the GBC is a host of additional requirements tied to the issuance of a building permit. The purpose of the GBC is to significantly minimize the state's overall carbon footprint by reducing greenhouse gas emissions, reducing energy consumption, and promoting environmentally responsible and healthier places to live and work. Additionally, the provisions of the GBC are anticipated to reduce water use in buildings by 20 percent and divert 50 percent of construction waste from landfills.

In addition to cool roof requirements, significant changes effecting residential buildings include requirements for high efficacy occupant sensor controlled lighting, two speed pumps for swimming pools, and insulation requirements for under-slab hot water piping to mitigate heat loss.

PUBLIC HEARING

On October 18, 2010 the City Council waived first readings and introduced Ordinance Nos. 22-2010 through 31-2010. The City Council approved staff recommendations and set a public hearing for November 15, 2010. State law authorizes local jurisdictions to adopt codes by reference (Cal. Gov't Code sections 50022.2 et seq.). Government Code section 50022.3 requires that a public hearing on the proposed code adoptions be set *after* the first reading of the ordinances.

REQUESTED MOTION

I move that the City Council waive the second reading and adopt Ordinance Nos. 22-2010 through 31-2010 amending Rancho Cordova Municipal Code Chapters 16.02, 16.04, 16.24, 16.32, 16.36, and 17.04, and adding Chapters 16.06, 16.26, and 16.38 to

the Rancho Cordova Municipal code relating to the adoption by reference and modification of the building standards codes and the Uniform Pool, Spa and Hot Tub Code.

ATTACHMENTS

1. Descriptions of Local Amendments
2. Ordinance 22-2010 Amending Chapter 16.02, "Uniform Administrative Code"
3. Ordinance 23-2010 Amending Chapter 16.04, "Building Code"
4. Ordinance 24-2010 Amending Chapter 16.24, "Plumbing Code"
5. Ordinance 25-2010 Amending Chapter 16.28, "Electrical Code"
6. Ordinance 26-2010 Amending Chapter 16.32, "Mechanical Code"
7. Ordinance 27-2010 Amending Chapter 16.36, "Swimming Pools"
8. Ordinance 28-2010 Amending Chapter 17.04, "Fire Code"
9. Ordinance 29-2010 Adding Chapter 16.06, "Residential Building Code"
10. Ordinance 30-2010 Adding Chapter 16.26, "Energy Code"
11. Ordinance 31-2010 Adding Chapter 16.38, "Green Building Code"

ATTACHMENT 1

SUMMARY OF 2010 BUILDING CODE UPDATES

Uniform Administrative Code (Attachment 2):

Unlike the above codes, this is not a technical code. This code replaces the model administrative code provided in the California Building Code. This code writes the rules and regulations for processing permits, collecting fees and gives rights and responsibilities to the Building Official to perform its duties. This code is not subject to California Building Standards Commission selection.	

Building Code (Attachment 3):

The 2010 California Building Code is adopted by reference.	
• This is an amendment which requires 4 inches of crushed rock beneath residential slab-on-grade construction. The model code allows sand or gravel under a slab, which does not provide adequate protection from moisture to come up through the slab. This region has high water tables and expansive soils and has areas which have experienced moisture and mold problems prior to the introduction of this amendment in past years.	1910.1

Plumbing Code (Attachment 4):

The 2010 California Plumbing Code is adopted by reference.	
• Administrative regulations for private sewage disposal systems. This administratively allows Sacramento County Environmental Management to maintain regulatory authority over septic systems.	103.9
• Requirement for cathodic protection of buried metallic pipe. This area has certain locations which are highly corrosive to ferrous pipes. Experience has demonstrated premature failures in ferrous pipe.	313.4
• This amendment administratively defines when the public sewer is available and limits the use of septic systems to coordinate with improvement standards and Sacramento County Environmental Management Department design standards.	713.4
• This amendment administratively defines the rainfall design data for use in our geographic location.	D1.0

Electrical Code (Attachment 5):

The 2010 California Electrical Code is adopted by reference.	
• This amendment requires that common areas in buildings (site lighting, parking lot lighting, lobbies, etc.) be controlled from a house meter and not billed to a tenant.	210-25(A)
• This amendment prohibits electrical equipment and conduit from being installed on any fence, excepting that conduit and equipment shall be permitted on metallic and masonry fences when installed with a continuous support system.	225.22(A)
• This amendment requires a minimum clearance and supporting for raceways installed on roofs.	225.22(B)

• This amendment provides an additional level of safety for unprotected overhead service entrances.	230-28(A) and (B)
• This amendment limits the length of unprotected service entrance conductors. This is a safety issue for firefighters and those involved in building remodeling and construction.	230-70(D)
• This amendment requires a single main disconnect means. This allows firefighters to shut off the power to a building quickly and easily.	230-71
• This amendment increases the depth of cover for an underground service to match SMUD requirements.	300-5(L).
• This amendment administratively requires permitting and labeling of electrical signs. Electric signs are not appropriately covered by model code and are often installed with a lesser degree of electrical expertise. The labeling and permit requirements help maintain a more appropriate level of expertise and enforcement.	600-1(A) and (B)
• This requirement is an agreement with SMUD to allow for easy future installation of electric vehicle charging stations in new homes.	625.1(A)

Mechanical Code (Attachment 6):

The 2010 California Mechanical Code is adopted by reference.	
• No local amendments	

Swimming Pool Code (Attachment 7):

The 2009 Uniform Swimming Pool, Spa and Hot Tub Code is adopted by reference. This code is not subject to California Building Standards Commission selection.	
• Basic requirements are continued to maintain consistency with other local jurisdictions.	16.36.130

Fire Code (Attachment 8):

The 2010 International Fire is adopted by reference.	
• This amendment creates standards for the outside storage of pallets	315.3.3
• This amendment amends the codes to allow for safe access roads for emergency equipment and personnel.	503.1.1
• This amendment establishes standards for gates on emergency access roads.	503.6.1
• This amendment establishes standards for address posting and illumination	505
• This amendment establishes standards for water supplies used for fire fighting	507
• These amendments establish the standards for requiring automatic fire sprinklers and their features within buildings	903.1.1 903.2.8 903.3.7.1 903.4.4 903.4.5 903.6.3

Residential Building Code (Attachment 9):

The 2010 California Residential Building Code is adopted by reference.	
• This is an amendment which requires 4 inches of crushed rock beneath residential slab-on-grade construction and allows in addition to a polyethylene vapor retarder, other approved equivalent methods or materials to be used to retard vapor transmission through the floor slab. This region has high water tables and expansive soils and has areas which have experienced moisture and mold problems prior to the introduction of this amendment in past years.	506.2.3

Energy Code (Attachment 10):

The 2010 California Energy Code is adopted by reference.	
• No local amendments	

Green Building Code (Attachment 11):

The 2010 California Green Building Code is adopted by reference.	
• No local amendments	

ATTACHMENT 2

CITY OF RANCHO CORDOVA

ORDINANCE NO. 22-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING RANCHO CORDOVA MUNICIPAL CODE CHAPTER 16.02, "UNIFORM ADMINISTRATIVE CODE," WHICH ADOPTS BY REFERENCE PORTIONS OF CHAPTER 1 – DIVISION II OF THE 2010 CALIFORNIA BUILDING CODE AND CHAPTER 1 – DIVISION II 2010 CALIFORNIA RESIDENTIAL CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.02, "Uniform Administrative Code," is hereby amended to read as follows:

Chapter 16.02
UNIFORM ADMINISTRATIVE CODE

Sections:

16.02.010 Title.
16.02.020 Purpose.
16.02.030 Adoption of the Administrative Code.
16.02.040 Scope.
16.02.050 Definitions.
16.02.060 Amendments to the 2010 California Building Code and the 2010 California Residential Code.

16.02.010 Title.

This chapter shall be known and cited as the Rancho Cordova Administrative Code.

16.02.020 Purpose.

The purpose of the Rancho Cordova Administrative Code is to provide for the uniform administration and enforcement of the technical codes adopted by this jurisdiction.

The purpose of the Rancho Cordova Administrative Code and the technical codes is not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of the Rancho Cordova Administrative Code.

16.02.030 Adoption of the Administrative Code.

Sections 102 through 116 of Chapter 1 of the 2010 Edition of the California Building Code, Part 2, and Sections R102 through R114, of the 2010 Edition of the California Residential Code, Part 2.5, Title 24, of the California Code of Regulations, are hereby adopted and incorporated by reference herein.

16.02.040 Scope.

The provisions of the Rancho Cordova Administrative Code shall serve as the administrative, organizational, and enforcement rules and regulations for the technical codes that regulate the site preparation and construction, alteration, moving, demolition, repair, use, and occupancy of buildings and structures including but not limited to docks, harbors, wharves, marinas, boathouses, signs, and building service equipment within this jurisdiction.

16.02.050 Definitions.

For the purposes of this chapter, the following definitions shall apply:

"**California Building Code**" means the current (2010) version of the California Code of Regulations Title 24, Part 2. The terms "California Building Code", "Building Code", and "CBC" are to be considered synonymous.

"**California Residential Code**" means the current (2010) version of the California Code of Regulations Title 24, Part 2.5. The terms "California Residential Code", "Residential Code", "Residential Building Code" and "CRC" are to be considered synonymous.

"**Building Official**" means the officer or other designated authority charged with the administration and enforcement of the Rancho Cordova Administrative Code and the technical codes. The terms "Chief of the Building and Safety Division," "Building and Safety Division," "Administrative Authority," and "City" are to be considered synonymous respectively with the terms "Building Official," "Chief Building Official" and "Building Division" as they appear in the Rancho Cordova Administrative Code or the Technical Codes.

"Building Service Equipment" refers to the plumbing, mechanical, and electrical equipment including piping, wiring, fixtures, and other accessories that provide sanitation, lighting, heating, ventilation, cooling, refrigeration, and fire fighting facilities essential for the habitable occupancy of the building or structure for its designated use and occupancy.

"**Technical codes**" refers to the following chapters of the Rancho Cordova Municipal Code (RCMC) containing the provisions for design, construction, alteration, addition, repair, removal, demolition, use, location, occupancy, and maintenance of all buildings and structures and building service equipment in this jurisdiction:

1. Chapter 16.04 RCMC, Building Code;
2. Chapter 16.06 RCMC, Residential Code;
3. Chapter 16.24 RCMC, Plumbing Code;
4. Chapter 16.26 RCMC, Energy Code;
5. Chapter 16.28 RCMC, Electrical Code;
6. Chapter 16.32 RCMC, Mechanical Code;
7. Chapter 16.36 RCMC, Swimming Pools;
8. Chapter 16.38 RCMC, Green Building Code; and
9. Chapter 17.04 RCMC, Fire Code.

16.02.060 Amendments to the 2010 California Building Code and the 2010 California Residential Code.

Amended sections are referenced by the CBC code section and the CRC code section that is affected; example: "*Section 105.2 / R105.2*" references the CBC code section first, than the CRC code section.

A. Section 105.2 / R105.2, "Work exempt from permit" is amended to read as follows:

105.2 / R105.2 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction. Permits shall not be required for the following:

105.2 (A) / R105.2 (A) Building Permits. A building permit shall not be required for:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area of such structures with walls does not exceed 120 square feet, with a maximum 12 inch overhang or eave, and structures with four open sides do not exceed 120 square feet in roof area. All structures must meet set-back requirements as determined by the City Planning Department.

2. Fences not over 6 feet high.

3. Oil derricks.

4. Retaining walls that:

    a. Are constructed of reinforced concrete or reinforced masonry and do not retain more than 36 inches of earth.

    b. Are constructed of pre-cast block retaining wall systems installed per the manufacturer's installation instructions and do not retain more than 36 inches of earth.

    c. Are constructed of decay resistant or treated wood and do not retain more than 24 inches of earth.

    d. Are covered under improvement plans prescribed in Chapter 12.03 of the Rancho Cordova code.

    e. Do not impound class I, II or IIIA liquids.

    f. Do not support surcharge loads.

5. Water tanks supported directly on grade if the capacity does not exceed 5000 gallons and the ratio of height to diameter or width does not exceed 2:1.

6. Sidewalks and driveways not more than 30 inches above adjacent grade and not over any basement or story below, and not part of an accessible route (Non-residential only).
7. Sidewalks, and driveways (Residential only)

8. Decks not exceeding 200 square feet in area, that are not more than 30 inches above grade at any point, are not attached to a dwelling, and do not serve the exit door required by Section R311.4 (Residential only)

9. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.

10. Temporary motion picture, television and theater stage sets and scenery.

11. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches deep, do not exceed 5,000 gallons and are installed entirely above ground. Electrical pumps and decking not conforming to number "8" of this section are not exempt.

12. Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.

13. Swings and other playground equipment accessory to detached one and two-family dwellings. (Residential only)

14. Window awnings supported by an exterior wall that do not project more than 54 inches from the exterior wall and do not require additional support of Group R-3 and U occupancies. (Residential only)

15. Non fixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches in height.

105.2 (B) / R105.2 (B) Electrical Permits. An Electrical permit shall not be required for:

1. Portable motors or other portable appliances energized by means of a cord or cable having an attachment plug end to be connected to an approved receptacle when that cord or cable is permitted by the Rancho Cordova Electrical Code.

2. Repair or replacement of fixed motors, transformers, or fixed approved appliances of the same type of rating in the same location within Group R, Division 3 Occupancies. (Residential only)

3. Listed cord-and-plug connected temporary decorative lighting.

4. Repair or replacement of current-carrying parts of any switch, conductor, or control device.

5. Reinstallation of attachment receptacles but not the outlets therefore.

6. Repair or replacement of electrodes or transformers of the same size and capacity for signs or gas tube systems.

7. Temporary wiring for experimental purposes in suitable experimental laboratories.

8. The wiring for temporary theater, motion picture, or television stage sets.

9. The provisions of this code shall not apply to electrical equipment used for radio and television transmissions, but do apply to equipment and wiring for a power supply and the installations of towers and antennas.

10. Electrical wiring, devices, appliances, apparatus, or equipment operating at less than 25 volts and not capable of supplying more than 50 watts of energy.

11. Low-energy power, control, and signal circuits of Classes I and II as defined in the Rancho Cordova Electrical Code.

12. A permit shall not be required for the installation, alteration, or repair of electrical wiring, apparatus, or equipment or the generation, transmission, distribution, or metering of electrical energy or in the operation of signals or the transmission of intelligence by a public or private utility in the exercise of its function as a serving utility.

105.2 (C) / R105.2 (C) Mechanical Permits.

See the 2010 California Mechanical Code Chapter 1, Division II, Part III, Section 112.2 for exempt work.

105.2 (D) / R105.2 (D) Plumbing Permits.

See the 2010 California Plumbing Code Chapter 1, Division II, Section 103.1.2 for exempt work.

105.2 (E) / R105.2 (E) Sign permits. A sign permit shall not be required for the following:

1. The changing of the advertising copy or message on a painted or printed sign only. Except for theater marquees and similar signs specifically designed for the use of replaceable copy, electrical signs shall not be included in this exemption.

2. Painting, repainting, or cleaning of an advertising structure or the changing of the advertising copy or message thereon shall not be considered an erection or alteration that requires a sign permit unless a structural change is made.

3. Temporary signs:

    a. Real estate signs allowed per the Zoning Code of Rancho Cordova.

    b. Temporary construction signs, signs identifying architects, landscape architects, engineers, contractors, or builders provided the signs are located on the construction site and the signs do not exceed 4 square feet in area.

    c. Political, religious, and civic campaign signs.

    d. Promotional signs.

4. Signs identified by the Rancho Cordova Zoning Code as being exempt from the provisions of the Rancho Cordova Zoning Code.

B. Section 105.2.2.1 / R105.2.2.1, "Limits on repair for R-3 and U occupancies", is added to read as follows:

105.2.2.1 / R105.2.2.1 Limits on repair for R-3 and U occupancies. When the scope of work for R-3 and U Occupancies involves the removal or replacement of 50 percent or greater of the linear length of the walls of the building (exterior plus interior) within a one-year period, the project shall be considered new construction; and the entire building shall comply with all current codes.

C. Section 105.3.2 / R105.3.2, "Time limitation of application," is amended to read as follows:

105.3.2 / R105.3.2 Time limitation of application. An application for a permit for any proposed work shall be deemed to have been abandoned based on the time frames shown in Table 105, calculated after the date of filing, unless such application has been pursued in good faith or a permit has been issued. The Building Official may extend the time for action for a period not exceeding 180 days upon written request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken.

Any application not issued prior to the effective date of any new law, statute, provision, ordinance, or any revision or update to the same, that directly or indirectly applies to code regulation and enforcement, will be deemed void, and a new application shall be made, and new fees shall be calculated and collected at the rates currently in effect at the time of the new application.

D. Section 105.4.1 / R105.4.1, "Certificate of Construction," is added to read as follows:

105.4.1 / R105.4.1 Certificate of Construction. The Building Official may issue a Certificate of Construction for projects where a building permit is not appropriate. Typical examples of such projects are structures constructed for Rancho Cordova where a building permit would not be issued but a plan review would be performed or a project not under Rancho Cordova's jurisdiction but where inspection is to be conducted by the City on a contract.

E. Section 105.4.2 / R105.4.2, "Certificate of Release," is added to read as follows:

105.4.2 / R105.4.2 Certificate of Release. Prior to issuance of a permit, a Certificate of Release shall be obtained from the fire protection district for the following:

1. Any new dwelling when there is no public water supply source with a distribution system conforming to City standards.

2. Any new dwelling, covered porch/patio, and attached garage 3,600 square feet or greater.

3. Any new dwelling with a private access road.

4. Where the furthest point of the habitable structure is more than 150 feet from the public road.

5. All commercial projects and multi-family dwellings.

F. Section 105.5 / R105.5, "Expiration," is amended to read as follows:

105.5 / R105.5 Permit Expiration. Every permit issued by the Building Official under the provisions of the Technical Codes shall expire by limitation and become null and void if the building or work authorized by such permit is not commenced within the prescribed time frame, as determined in Table 105.

Before such work can be recommenced, the permit shall be renewed. The fee for renewal shall be equal to one-half the amount currently required for a new permit for such work, provided no changes have been made or will be made in the original plans and specifications for such work; and provided further that such suspension or abandonment has not exceeded the prescribed time frame, as determined in Table 105.

In order to renew action on a permit after the building or work has been suspended or abandoned, or the permit has been expired for a period exceeding the prescribed time frame as determined in Table 105, the permittee shall pay a new full permit fee based on the currently enforced fee schedule. Permits deemed to have been expired shall be subject to all permit related fee increases, new fees and code requirements currently in effect at the time of permit renewal as applicable, subject to the discretion of the Building Official.

The Building Official may extend the time for action by the permittee for a period not exceeding 180 days upon written request by the permittee showing that circumstances beyond the control of the permittee have prevented action from being taken.

TABLE 105

Permit Description (and Type)	Expiration Point for Plan Approval and Issuance of Permit
New Commercial Building (C-BLDG)	180 days from plan approval; 720 days from issuance of permit
Commercial Alteration, Tenant Improvement, Remodel (C-BLDG)	180 days from plan approval; 360 days from issuance of permit
Commercial Accessory Structure (C-OTHER)	180 days from plan approval; 360 days from issuance of permit
Commercial Incidental Permits (re-roof, Miscellaneous Plumbing, Electrical, Mechanical, Interior Demolition, etc.) (PME, REROOF, DEMO)	180 days from plan approval; 360 days from issuance of permit
Commercial Exterior Demolition – Full Structure (DEMO)	180 days from plan approval; 360 days from issuance of permit
Commercial Exterior Sign Permit (C-SIGN)	180 days from plan approval; 360 days from issuance of permit

Commercial Pool (POOL)	180 days from plan approval; 360 days from issuance of permit
New Residential Custom Homes (R-BLDG)	180 days from plan approval; 360 days from issuance of permit
New Residential Production Homes (P-BLDG)	180 days from plan approval; 720 days from issuance of permit; Model Homes do not expire as long as they are being used as models.
Residential Alteration, Remodel (R-BLDG)	180 days from plan approval; 360 days from issuance of permit
Residential Accessory Structures (R-OTHER)	180 days from plan approval; 360 days from issuance of permit
Residential Incidental Permits (re-roof, Miscellaneous Plumbing, Electrical, Mechanical, Interior Demolition, etc.) (PME, REROOF, DEMO)	180 days from plan approval; 180 days from issuance of permit
Residential Exterior Demolition – Full Structure (DEMO)	180 days from plan approval; 180 days from issuance of permit
Residential Pool and/or Spa (POOL)	180 days from plan approval; 360 days from issuance of permit
Master Plan Review (MASTERPLAN) – REVIEW ONLY	720 days from plan approval; extension of 360 days with written request

G. Section 105.7 / R105.7, "Placement of Permit," is amended to read as follows:

105.7 / R105.7 Placement of permit. Work requiring a permit shall not be commenced until the permit holder or an agent of the permit holder shall have posted the building permit in a highly visible location on the job site so as to allow the Building Official to conveniently make the required entries thereon regarding inspection of the work. The permit application, or a copy, and all correction notices must be kept with the building permit. This permit shall be maintained available by the permit holder until completion of the work and final approval has been granted by the Building Official.

H. Section 109.2 / R108.2, "Schedule of permit fees," is amended to read as follows:

109.2 / R108.2 Schedule of permit fees. On buildings, structures, electrical, gas, mechanical and plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required, in accordance with the schedule as prescribed by ordinance or resolution of the City of Rancho Cordova.

When submittal documents are required by Section 107 or Section R106, a plan review fee shall be paid at the time of submitting the documents for plan review. Said plan review fee shall be prescribed by ordinance or resolution of the City of Rancho Cordova.

The plan review fees specified in this Section are separate fees from the permit fees specified in this Section and are in addition to the permit fees.

When submittal documents are incomplete or changed so as to require additional plan review, or when the project involves a deferred submittal item as defined in Section 107.3.4.2 or R106.3.4, an additional plan review fee shall be charged as prescribed by ordinance or resolution of the City of Rancho Cordova.

I. Section R108.3, "Building permit valuations," is amended to read as follows:

R108.3 Building permit valuations. The applicant for a permit shall provide an estimated permit value at time of application. Permit valuations shall include total value of work, including materials and labor, for which the permit is being issued, such as structures, electrical, gas, mechanical, plumbing equipment and permanent systems. If, in the opinion of the Building Official, the valuation is underestimated on the application, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the Building Official. Final building permit valuation shall be set by the Building Official.

J. Section R106.3.4, "Deferred Submittals," is added to read as follows:

R106.3.4 Deferred submittals. For the purposes of this section, deferred submittals are defined as those portions of the design that are not submitted at the time of the application and that are to be submitted to the Building Official within a specified period. Deferral of any submittal items shall have the prior approval of the Building Official. The registered design professional in responsible charge shall list the deferred submittals on the construction documents for review by the Building Official. Documents for deferred submittal items shall be submitted to the registered design professional in responsible charge who shall review them and forward them to the Building Official with a notation indicating that the deferred submittal documents have been reviewed and been found to be in general conformance to the design of the building. The deferred submittal items shall not be installed until the design and submittal documents have been approved by the Building Official.

K. Section 109.6 / R108.5, "Refunds," is amended to read as follows:

109.6 / R108.5 Refunds. The Building Official may authorize the refunding of any fee paid hereunder that was erroneously paid or collected.

The Building Official may authorize the refunding of not more than 40 percent of the total permit fee paid when no work has been done under a permit issued in accordance with this Code. Where no plan review fee was required, the Building Official may authorize the refunding of not more than 80 percent of the total permit fee paid when no work has been done under a permit issued in accordance with this Code.

The Building Official may authorize the refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan reviewing is done.

The Building Official shall not authorize the refunding of any fee paid except upon written application filed by the original applicant no later than 180 days after the date of fee payment.

L. Section 109.7 / R108.7, "Re-inspection fee," is added to read as follows:

109.7 / R108.7 Re-inspection fee. A re-inspection fee may be assessed for any of the following reasons:

1. When such portion of work for which inspection is called is not completely ready or when previous corrections called for are not made.

2. When the job address is not clearly posted and visible from the street or the front of the building.

3. When there is a lack of access to the work to be inspected.

4. When the building permit is not posted on the job site.

5. When the approved plans are not readily available to the inspector.

6. When the building permit, or a copy, and any previous correction notice(s) are not readily available.

7. For deviating from plans requiring the approval of the Building Official.

This section is not to be interpreted as requiring re-inspection fees the first time a job is rejected for failure to comply with the requirements of this Code, but as controlling the practice of calling for inspections before the job is completely ready for such inspection.

To obtain a re-inspection, the applicant shall pay any re-inspection fee as prescribed by ordinance or resolution of the City of Rancho Cordova.

In instances where re-inspection fees have been assessed, no additional inspection of the work will be performed until the required fees have been paid.

M. Section 111.1 / R110.1, "Use and occupancy," is amended to read as follows:

111.1 / R110.1 Use and occupancy. No building or structure shall be used or occupied, and no change in the existing occupancy classification of a building or structure or portion thereof shall be made, until the Building Official has issued a certificate of occupancy therefor as provided herein. Issuance of a certificate of occupancy shall not be construed as an approval of a violation of this code or other ordinances of the City of Rancho Cordova.
Exception: Certificates of Occupancy are not required for R-3 occupancies.

N. Section 112.1 / R111.1 "Connection of service utilities" is amended to read as follows:

112.1 / R111.1 Connection of service utilities. No person shall make connections from a utility, source of energy, fuel, or power to any building service equipment that is regulated by the Technical Codes and for which a permit is required by this Code until approved by the Building Official.

O. Section 112.2 / R111.2 "Temporary connections" is amended to read as follows:

112.2 / R111.2 Temporary connections. The Building Official may authorize the temporary connection of the building service equipment to the source of energy, fuel, or power for the purpose of testing building service equipment or for use under a temporary Certificate of Occupancy.

P. Section 112.3 / R111.3 "Authority to disconnect service utilities" is amended to read as follows:

112.3 / R111.3 Authority to disconnect service utilities. The Building Official or an authorized representative shall have the authority to disconnect any utility service or energy supplied to the building, structure, or building service equipment therein regulated by this Code or the Technical Codes when the building owner or occupant knowingly fails to comply with a notice or order, or in case of emergency where necessary to eliminate an immediate hazard to life or property.

The Building Official shall, whenever possible, notify the serving utility, and the owner and occupant of the building, structure, or building service equipment of the decision to disconnect prior to taking such action and shall notify such serving utility, owner, and occupant of the building, structure, or building service equipment, in writing, of such disconnection immediately thereafter.

112.4 / R111.4 Authority to condemn building service equipment. Whenever the Building Official ascertains that any building service equipment regulated in the Technical Codes has become hazardous to life, health, or property or becomes unsanitary, the Building Official shall order, in writing, that such equipment either be removed or restored to a safe or sanitary condition, whichever is appropriate. The written notice shall fix a time limit for compliance with such order. No person shall use or maintain defective building service equipment after receiving such notice.

When such equipment or installation is to be disconnected, a written notice of such disconnection and causes therefore shall be given within 24 hours to the serving utility, the owner, and occupant of such building, structure, or premises.

When any building service equipment is maintained in violation of the Technical Codes and in violation of any notice issued pursuant to the provisions of this section, the Building Official shall institute any appropriate action to prevent, restrain, correct, or abate the violation.

SECTION 113 / R112 BOARD OF APPEALS

Q. Section 113.3.1 / R112.3.1, "Membership," is added to read as follows:

113.3.1 / R112.3.1 Membership. The board shall consist of at least five and no more than seven members with a quorum being four members. The members of the board shall be appointed by the City Council.

Membership in the board shall be from individuals representing any of the following disciplines:

1. General contractor specializing in residential construction.

2. General contractor specializing in commercial construction.

3. Electrical contractor.

4. Mechanical contractor.

5. Plumbing contractor.

6. Electrical engineer.

7. Mechanical engineer.

8. Civil or structural engineer.

9. Architect.

10. Fire service representative.

11. Attorney.

12. Utility representative.

13. Public members-at-large.

No two members shall be of the same discipline listed above.

The board shall annually select a chairperson from its appointed members. The Building Official shall be an ex officio member and shall act as the secretary of the board of appeals.

R. Section 113.3.2 / R112.3.2, "Terms," is added to read as follows:

113.3.2 / R112.3.2 Terms. Terms for members other than ex officio or advisory of the board of appeals shall be for two years. Terms shall expire in alternate years. At initial formation, terms may be set for one or three years by the Building Official to create a staggering of terms expirations.

S. Section 113.3.3 / R112.3.3, "Vacancies," is added to read as follows:

113.3.3 / R112.3.3 Vacancies. Vacancies shall be filled by appointment for the unexpired portion of the term.

T. Section 113.3.4 / R112.3.4, "Attendance," is added to read as follows:

113.3.4 / R112.3.4 Attendance. Any appointee member of the board of appeals who fails to attend three consecutive meetings of the board of appeals without notifying the secretary shall automatically lose membership thereon. It shall be the duty of the chairperson of the board of appeals to report to the city council any appointee member who has failed to attend three consecutive meetings without such notification.

U. Section 113.3.5 / R112.3.5, "Secretary," is added to read as follows:

113.3.5 / R112.3.5 Secretary. The secretary shall have no vote except in the case of a tie vote.

V. Section 113.3.6 / R112.3.6, "Meetings," is added to read as follows:

113.3.6 / R112.3.6 Meetings. The board of appeals shall hold monthly meetings as needed.

W. Section 113.3.7 / R112.3.7, "Rules and Regulations," is added to read as follows:

113.3.7 / R112.3.7 Rules and Regulations. The board of appeals shall adopt reasonable rules and regulations for conducting its investigations and shall render all decisions and findings in writing to the Building Official, with a copy to the applicant, and may recommend to the City Council such new legislation as is consistent therewith. Decisions and findings shall be filed in the office of the Building Official, for public inspection.

X. Section 113.3.8 / R112.3.8, "Granting Modifications," is added to read as follows:

113.3.8 / R112.3.8 Granting Modifications. Whenever there are practical difficulties involved with carrying out the provisions of the Building, Electrical, Mechanical, Plumbing, and/or Swimming Pool codes of the City of Rancho Cordova, the board of appeals may grant modifications for individual cases, provided it is found that special circumstances make strict adherence to the code(s) impractical and that the modification is in conformity with the intent and purpose of the code(s) and that such modification does not reduce any fire protection requirements or any degree of structural integrity.

Y. Section 114.4 / R113.4, "Violation penalties," is amended to read as follows:

114.4 / R113.4 Violation Fee. Any person who violates a provision of this code or fails to comply with any of the requirements thereof or who erects, constructs, alters or repairs a building or structure in violation of the approved construction documents or directive of the Building Official, or of a permit or certificate issued under the provisions of this code, shall be subject to penalties as prescribed by law.

A violation fee is separate and independent from other fees, shall be collected whether or not a permit is then or subsequently issued, provided, however, that this provision shall not apply to emergency work when it is proved to the satisfaction of the Administrative Authority that such work was urgently necessary and that it was not practical to obtain a permit before commencement of the work. In all such cases, a permit must be obtained as soon as it is practical to do so; and, if there is an unreasonable delay in obtaining such permit, the violation fee as herein provided shall be charged.

The violation fee shall be equal to the total permit fee, in addition to the total permit fee as prescribed in Chapter 16, Section 16.90 of the City of Rancho Cordova Municipal Code. The payment of such violation fee shall not exempt any person from compliance with other provisions of this Code, the Technical Codes, or from any penalty prescribed by law.

Z. Section 114.3.1 / R113.3.1, "Connection after order to disconnect," is added to read as follows:

114.3.1 / R113.3.1 Connection after order to disconnect. No person shall make connections from any energy, fuel, or power supply nor supply energy or fuel to any building service utilities or equipment that has been disconnected or ordered to be disconnected by the Building Official

or the use of which has been ordered to be discontinued by the Building Official until the Building Official authorizes the reconnection and use of such equipment.

The Building Official shall have the right to withhold clearing building service utilities or equipment for hookup by the service agency if the owner or contractor refuses to comply with other ordinances affecting the structure as a whole.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

Within fifteen (15) days from and after adoption, this Ordinance shall be published once in the Grapevine Independent, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with California Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 23-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING RANCHO CORDOVA MUNICIPAL CODE CHAPTER 16.04, "BUILDING CODE," WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA BUILDING CODE, AND BY REFERENCE THE 2009 INTERNATIONAL BUILDING CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.04, "Building Code," is hereby amended to read as follows:

BUILDING CODE

Sections:

16.04.010 Title.
16.04.020 Purpose.
16.04.030 Adoption of building codes.
16.04.040 Amendment of adopted codes.

Code reviser's note: For the statutory provisions adopting certain uniform codes for all buildings used for human habitation, see Section 17922 of the Health and Safety Code.

16.04.010 Title.

This chapter shall be known and cited as the Rancho Cordova building code.

16.04.020 Purpose.

The purpose of the Rancho Cordova building code is to provide minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, installation, quality of materials, use and occupancy, location and maintenance of all buildings and structures within this jurisdiction, and certain equipment specifically regulated herein.

16.04.030 Adoption of building codes.

The 2010 California Building Code, Part 2, Title 24 of the California Code of Regulations, (hereinafter referred to as the "CBC") Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in Section 18901 et seq. of the California State Health and Safety Code (hereinafter referred to as the "State Code"), and any rules and regulations promulgated pursuant thereto, including the International Building Code, 2009 Edition, as published by the International Code Council, and as referenced in and adopted pursuant to Sections 17922 and 18935 of the California State Health and Safety Code (hereinafter referred to as the "IBC"), Appendix C (Agricultural Buildings), and Appendix I (Patio Covers) of the CBC, (hereinafter referred to as the "appendix"), are hereby adopted and incorporated by reference herein, excluding Sections 102 through 116 of Chapter 1 of the CBC, which are adopted pursuant to Chapter 16.02 Rancho Cordova Municipal Code (RCMC). Except as otherwise provided by this chapter and Chapter 16.02 RCMC, all construction, alteration, moving, demolition, repair, and use of any building or structure within the city shall be

made in conformance with the State Code and any rules and regulations promulgated pursuant thereto, including the IBC and the appendix.

16.04.040 Amendment of adopted codes.

Notwithstanding the provisions of RCMC 16.04.030, the State Code, the IBC and appendix are amended as follows:

A. Section 1910.1, "General," is amended to read as follows:

1910.1 General. The minimum thickness of concrete floor slabs supported directly on the ground shall not be less than 3 1/2 inches (89 mm). Groups R-1 and R-3 occupancies with concrete floors bearing on the ground shall have provided below the concrete floor a minimum of 4 inches of clean, well graded crushed rock or gravel 3/8 inch minimum to 1 1/2 inches maximum size. A 6-mil (0.006 inch; 0.15 mm) polyethylene vapor retarder with joints lapped not less than 6 inches (152 mm) shall be placed between the base course or subgrade and the concrete floor slab, or other approved equivalent methods or materials shall be used to retard vapor transmission through the floor slab.

Exception: A vapor retarder is not required:

1. For detached structures accessory to occupancies in Group R-3, such as garages, utility buildings or other unheated facilities.

2. For unheated storage rooms having an area of less than 70 square feet (6.5 m2) and carports attached to occupancies in Group R-3.

3. For buildings of other occupancies where migration of moisture through the slab from below will not be detrimental to the intended occupancy of the building.

4. For driveways, walks, patios and other flatwork which will not be enclosed at a later date.

5. Where approved based on local site conditions.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

Within fifteen (15) days from and after adoption, this Ordinance shall be published once in the Grapevine Independent, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with California Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on _____ day of October, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 24-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING RANCHO CORDOVA MUNICIPAL CODE CHAPTER 16.24, "PLUMBING CODE," WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA PLUMBING CODE, AND BY REFERENCE THE 2009 UNIFORM PLUMBING CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.24, "Plumbing Code," is hereby amended to read as follows:

PLUMBING CODE

Sections:

16.24.010 Title.
16.24.020 Purpose.
16.24.030 Adoption of plumbing codes.
16.24.040 Amendment of adopted codes.

16.24.010 Title.
This chapter shall be known and cited as the Rancho Cordova plumbing code.

16.24.020 Purpose.
The purpose of the Rancho Cordova Plumbing Code is to provide minimum requirements and standards for the protection of the public health, safety, and welfare.

16.24.030 Adoption of plumbing codes.
The 2010 California Plumbing Code, Part 5, Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in Section 18901 et seq. of the California State Health and Safety Code (hereinafter referred to as the "State Code") and any rules and regulations promulgated pursuant thereto, including the Uniform Plumbing Code, 2009 Edition, as published by the International Association of Plumbing and Mechanical Officials, and as referenced in and adopted pursuant to Sections 17922 and 18935 of the California State Health and Safety Code (hereinafter referred to as the "UPC"), and Appendix Chapters A, B, D, I and K (hereinafter referred to as the "appendix") are hereby adopted and incorporated by reference herein. Except as otherwise provided by this chapter and Chapter 16.02 Rancho Cordova Municipal Code (RCMC), all plumbing systems associated with construction, alteration, moving, demolition, repair, and use of any building or structure within the city shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto, including the UPC and the appendix.

16.24.040 Amendment of adopted codes.
Notwithstanding the provisions of RCMC 16.24.030, the State Code, the UPC and Appendix D are amended as follows:

A. 103.9, "Private Sewage Disposal Systems," is added to read as follows:

103.9 Private Sewage Disposal Systems. The installation of private sewage disposal systems is under the jurisdiction of the Environmental Health Division of the Sacramento County Environmental Management Department.

B. Section 313.4 is amended to read as follows:

313.4 Each system of buried ferrous piping used for either potable water or gas supply shall have a protective coating of an approved type, machine applied and conforming to recognized standards. Field wrapping shall provide equivalent protection and is restricted to those short sections and fittings necessarily stripped for threading.

All buried ferrous piping shall be provided with cathodic protection installed according to Table 3-2 of this Section and the following requirements:

1. Galvanic anodes for cathodic protection of ferrous piping shall be buried not less than 3 feet below grade and below the bottom of the pipe to be protected. They shall be not less than 4 feet horizontally from any buried metallic pipe. Before back filling, the anode shall be flooded with a minimum of 5 gallons of water.

When connected to the pipe being protected, less than 6 inches above grade, the anode shall be connected with a thermite weld. Connections 6 inches or more above grade may be made by the use of a listed mechanical clamp.

2. Water supply piping shall be isolated at the connection of the utility or private tap from the water main and at each building foundation line adjacent to the full-way shutoff valve.
3. Gas supply piping shall be isolated adjacent to each foundation line or at the appliance when located outside the building and from the serving gas supplier's service equipment.
4. Approved isolation fittings shall be located a minimum of 6 inches above grade, except that fitting at the water tap.
5. Any piping laid in the same trench with pipe requiring cathodic protection shall be separated laterally a minimum of 12 inches from the protected pipe, and piping installed diagonally above the pipe requiring cathodic protection shall be separated vertically a minimum of 6 inches. All separations shall be maintained with clean earth in accordance with Section 315.0.

Table 3-2 is amended to read as follows:

Table 3-2 ANODE SELECTION CHART						
Allowable length of coated and wrapped buried ferrous gas or water pipe for each size anode						
	Pipe Size					
Anode Size	1/2"	3/4" & 1"	1 1/4" & 1 1/2"	2"	3"	4"
1 lb. anode	50'	–	–	–	–	–
3 lb. anode	150'	100'	50'	50'	–	–
9 lb. anode	500'	200'	200'	150'	100'	100'
17 lb. anode	–	500'	350'	300'	250'	150'
32 lb. anode	–	–	500'	500'	450'	350'

C. Section 713.4 is amended to read as follows:

713.4 The public sewer shall be permitted to be considered as not being available when such public sewer or any building or any exterior drainage facility connected thereto is located more than two hundred (200) feet (61 m) from the property line.

D. Section D1, "Roof Drainage," of Appendix D, is amended to read as follows:

D 1.0 Roof Drainage. Roof drains, leaders and rainwater piping shall be designed to carry away rainfall at the rate of at least 3 inches of rainfall per hour.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3: Effective Date and Publication

Within fifteen (15) days from and after adoption, this Ordinance shall be published once in the Grapevine Independent, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with California Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 25-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING RANCHO CORDOVA MUNICIPAL CODE CHAPTER 16.28, "ELECTRICAL CODE," WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA ELECTRICAL CODE, AND BY REFERENCE THE 2008 NATIONAL ELECTRICAL CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.28, "Electrical Code," is hereby amended to read as follows:

ELECTRICAL CODE

Sections:

16.28.010 Title.
16.28.020 Purpose.
16.28.030 Adoption of electrical codes.
16.28.040 Amendment of adopted codes.

16.28.010 Title.
This chapter shall be known and cited as the Rancho Cordova Electrical Code.

16.28.020 Purpose.
The purpose of the Rancho Cordova electrical code is to provide minimum electrical system standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, installation, and quality of materials.

16.28.030 Adoption of electrical codes.
The 2010 California Electrical Code, Part 3, Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in Section 18901 et seq. of the California State Health and Safety Code (hereinafter referred to as the "State Code"), and any rules and regulations promulgated pursuant thereto, including the National Electrical Code, 2008 Edition (excluding Annex G), as published by the National Fire Protection Association, and as referenced in and adopted pursuant to Sections 17922 and 18935 of the California State Health and Safety Code (hereinafter referred to as the "NEC"), are hereby adopted and incorporated by reference herein. Except as otherwise provided by this chapter and Chapter 16.02 Rancho Cordova Municipal Code (RCMC), all electrical systems associated with construction, alteration, moving, demolition, repair, and use of any building or structure within the city shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto, including the NEC.

16.28.040 Amendment of adopted codes.
Notwithstanding the provisions of RCMC 16.28.030, the State Code and the NEC are amended as follows:

A. Article 210.25(A)1 is added to read as follows:

210.25(A)1 Branch Circuits Serving Common Use Areas. All circuits serving common use areas and public use areas shall be served from house service equipment. Where buildings are multi-metered, a separate meter for house equipment shall be required.

B. Article 225.22(A) and 225.22(B) are amended as follows:

225.22(A) Fences. Electrical equipment and conduit shall not be installed on any fence.

Exception: Conduit and equipment shall be permitted on metallic and masonry fences when installed with a continuous support system.

225.22(B) Roofs. Raceways installed on or across roofs shall clear the roof a minimum of 1 1/2" and be supported every 4' or less.

C. Article 230.28(A) and 230.28(B) are added to read as follows:

230.28(A) Service Entrance or Load Centers located in walls or partitions. When overhead service entrance conductors are installed in walls or partitions, they shall be enclosed in rigid metal or intermediate metal conduit of 1 1/2 inch minimum trade size.

230.28(B) Service Entrance method of attachment. No new or replacement overhead service drop shall be attached to the structure. The service mast shall be used as the support and shall be of 1 1/2" rigid metal or intermediate metal conduit.

D. Article 230.70(D) is amended to read as follows:

230.70(D) Ten Foot Limit for Service Raceway. Service entrance conductors shall not extend inside any building for more than ten feet to reach the disconnect or overcurrent protection device except when under a concrete floor.

E. Article 230.71 is amended to read as follows:

230.71 Service Switches. A single main disconnecting means shall be provided for each set of service entrance conductors. The service overcurrent device shall be an integral part of the disconnecting means. It shall be located at the nearest readily accessible location either outside of building or structure or inside nearest the point of entrance of the service conductors.

Exceptions:

1. A main disconnecting means shall not be required on Group R occupancies with not more than six dwelling units.
2. For fire pumps where a separate service is required.
3. For Emergency Electrical systems where a separate service is required.
4. Up to six switches or circuit breakers may be permitted provided not more than one is rated less than 2,000 amperes, 600 volts, and all switches or circuit breakers are installed in a common enclosure or group of enclosures.
5. Up to six switches or circuit breakers may be permitted for unmanned cellular monopole sites not located in or on a building.

F. Article 300.5(L) is added to read as follows:

300.5(L) Depth Requirement. All underground service entrance raceways shall be buried a minimum of 30 inches below grade unless located below a concrete building slab, in which case, the depth may be reduced to 12 inches below grade.

G. Article 600.1(A) and (B) are added to read as follows:

600.1(A) Electric Sign Installation. Electric signs shall be installed in accordance with the provisions of this Code pertaining to the installation of electric signs. The trademark, maker's name, approximate weight, voltage, amperage, Underwriters' label, and permit reference number, shall be permanently and conspicuously marked on the exterior of all electric signs.

600.1(B) Permit Required. An electrical permit shall be required for any of the following:

1. A new electric sign installation with new branch wiring.
2. A new electrical sign installation with existing branch wiring.
3. An electric sign repair and reinstallation.

H. Article 625.1(A) is added as follows:

625.1(A) Charging Circuit required for R.3 Occupancies. Every new group R.3 occupancy building shall provide for a future electric vehicle charging circuit by providing a 3/4 inch raceway or a 3 wire with ground NM or NMC cable rated at a minimum 40 ampere from the service panel to a 2 gang box located in the garage.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

Within fifteen (15) days from and after adoption, this Ordinance shall be published once in the Grapevine Independent, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with California Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 26-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING RANCHO CORDOVA MUNICIPAL CODE CHAPTER 16.32, "MECHANICAL CODE," WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA MECHANICAL CODE, AND BY REFERENCE THE 2009 UNIFORM MECHANICAL CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.32, "Mechanical Code," is hereby amended to read as follows:

Mechanical Code

Sections:

16.32.010 Title.
16.32.020 Purpose.
16.32.030 Adoption of Mechanical Codes.

16.32.010 Title.
This chapter shall be known and cited as the "Rancho Cordova Mechanical Code."

16.32.020 Purpose.
The purpose of the Rancho Cordova Mechanical Code is to provide minimum system standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, installation, quality of materials, location, operation, and maintenance or use of heating, ventilating, cooling, refrigeration systems, incinerators, and other miscellaneous heat-producing appliances within this jurisdiction.

16.32.030 Adoption of Mechanical Codes.
The 2010 California Mechanical Code, Part 4, Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in the California State Health and Safety Code Section 18901 *et. seq.* (hereinafter referred to as the "State Code"), and any rules and regulations promulgated pursuant thereto including the Uniform Mechanical Code, 2009 Edition, as published by the International Association of Plumbing and Mechanical Officials, and as referenced in and adopted pursuant to California State Health and Safety Code Sections 17922 and 18935, (hereinafter referred to as the "UMC"), and Appendix A (hereinafter referred to as the "Appendix"), are hereby adopted and incorporated by reference herein. Except as otherwise provided by this Chapter and Chapter 16.02 of the Rancho Cordova Code, all mechanical systems associated with construction, alteration, moving, demolition, repair, and use of any building or structure within the City shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto, including the UMC and the Appendix.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have

adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

ATTACHMENT 7

CITY OF RANCHO CORDOVA

ORDINANCE NO. 27-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING RANCHO CORDOVA MUNICIPAL CODE CHAPTER 16.36, "SWIMMING POOLS," WHICH ADOPTS BY REFERENCE THE 2009 UNIFORM SWIMMING POOL, SPA & HOT TUB CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.36, "Swimming Pools," is hereby amended to read as follows:

SWIMMING POOLS

Sections:

Article I. Barriers for Swimming Pools, Spas and Hot Tubs

16.36.110 General.
16.36.120 Definitions.
16.36.130 Requirements.
16.36.140 Request for approval.
16.36.150 Applicability.

Article II. Title, Scope and General

16.36.210 Swimming Pool, Spa and Hot Tub Code adopted.
16.36.220 Short title.
16.36.230 Purpose.
16.36.240 Scope.
16.36.250 Exceptions to swimming pool locations.

Article III. Amendments to the Uniform Swimming Pool, Spa and Hot Tub Code, 2009 Edition

16.36.310 Chapter 3 retitled.
16.36.320 Section 302, Turnover Time, amended.
16.36.330 Section 310, Wastewater Disposal, amended.
16.36.335 Section 317(a) amended.

Article I. Barriers for Swimming Pools, Spas and Hot Tubs 16.36.110 General.

The provisions of this article apply to the design and construction of barriers for swimming pools located on the premises of Group R, Division 3 occupancies.

16.36.120 Definitions.

For the purposes of this article, certain terms, words, and phrases are defined as follows:

Aboveground/On-Ground Pools - See definition of "swimming pool."

"Approved child safety device" means a swimming pool safety device that has been tested and listed by UL or any other independent testing agency that has been recognized and accepted by the chief building official, specifically for use as a swimming pool safety device, such as a tested and listed door alarm system or a tested and listed swimming pool cover.

"Barrier" means a fence, wall, building wall, or combination thereof that completely surrounds the swimming pool and obstructs access to the swimming pool.

"Grade" means the underlying surface such as earth or a walking surface.

Hot Tub - See definition of "swimming pool."

In-Ground Pool - See definition of "swimming pool."

"Separation fence" means a barrier which separates all doors of a dwelling unit with direct access to a swimming pool from the swimming pool.

Spa - See definition of "swimming pool."

"Swimming pool" means any structure intended for swimming or recreational bathing that contains water over 18 inches deep. This includes inground, aboveground, and on-ground swimming pools; hot tubs; portable and nonportable spas; and fixed-in-place wading pools.

"Swimming pool, indoor" means a swimming pool which is totally contained within a residential structure and surrounded on all four sides by walls of said structure.

"Swimming pool, outdoor" means any swimming pool which is not an indoor pool.

16.36.130 Requirements

(a) **Outdoor Swimming Pool.** An outdoor swimming pool shall be provided with a barrier that once installed, shall be inspected and approved by the Building Official prior to filling the swimming pool with water. The barrier shall comply with each of the following:

1. The top of the barrier shall be at least 60 inches above grade measured on the side of the barrier that faces away from the swimming pool. The maximum vertical clearance between grade and the bottom of the barrier shall be 2 inches measured on the side of the barrier that faces away from the swimming pool. The maximum vertical clearance at the bottom of the barrier may be increased to 4 inches when grade is a solid surface such as a concrete deck, or when the barrier is mounted on the top of the aboveground pool structure. When barriers have horizontal members spaced less than 45 inches apart between the tops of the horizontal members, the horizontal members shall be placed on the pool side of the barrier. Any decorative design work on the side away from the swimming pool, such as protrusions, indentations or cutouts, which render the barrier easily climbable, is prohibited.
2. Openings in the barrier shall not allow passage of a 1 3/4-inch or greater diameter sphere.

   Exceptions:
   i. When vertical spacing between such openings is 45 inches or more, the opening size may be increased such that the passage of a 4-inch or greater diameter sphere is not allowed.
   ii. For fencing composed of vertical and horizontal members, the spacing between vertical members may be increased to a maximum 4 inches when the distance between the tops of the horizontal members is 45 inches or more.

3. Chain link fences used as the barrier shall not be less than 11 gauge.

4. Solid barriers that do not have openings, such as masonry or stone walls, shall not contain indentations or protrusions except for tooled masonry joints.
5. Access gates shall comply with the requirements of Subdivisions 1 through 4 above. Pedestrian access gates shall be self-closing and have a self-latching device. Where the release mechanism of the latching device is located less than 54 inches from grade, (i) the release mechanism shall be located on the pool side of the gate at least 3 inches below the top of the gate, and (ii) the gate and barrier shall have no opening greater than 1/2 inch within 18 inches of the release mechanism. Pedestrian gates shall swing away from the pool. Any gates other than pedestrian access gates shall be equipped with lockable hardware or padlocks and shall remain locked at all times when the pool is not in use.
6. Where a wall of a Group R, Division 3 Occupancy dwelling unit serves as part of the barrier and contains door openings between the dwelling unit and the outdoor swimming pool, which provide direct access to the pool, a separation fence meeting the requirements of Subdivisions 1 through 5 above shall be provided.

   Exception: An Approved Child Safety Device, as defined in Section 16.36.120(b), subject to a prior written determination by the Building Official that the degree of protection to small children afforded by such an Approved Device is equal to that provided by a separation fence meeting the requirements of Items 1 through 6 of Section 16.36.130.

7. Where an aboveground pool structure is used as a barrier, or where the barrier is mounted on the top of the pool structure and the means of access is a ladder or steps, then either (i) the ladder or steps shall be capable of being secured, locked, or removed to prevent access, or (ii) the ladder or steps shall be surrounded by a barrier that meets the requirements of Subdivisions 1 through 6 above. When the ladder or steps are secured, locked, or removed, any opening created shall be protected by a barrier complying with Subdivisions 1 through 6 above.

(b) **Indoor Swimming Pool**. For an indoor swimming pool, protection shall comply with the requirements of Subsection (a)(6) above.

(c) **Spas and Hot Tubs.** A spa or hot tub with a locking safety cover which complies with the ASTM Standard F 1346-91 shall not be required to provide other barriers. Where a locking safety cover is not provided, the spa or hot tub shall comply with the requirements of Subsection (a) above."

16.36.140 Request for approval.

Any person desiring the approval of a swimming pool child safety device other than the type or kind mentioned in RCMC 16.36.130 shall file a written request for such approval with the Chief of the Building and Safety Division describing the type of child safety device. If, in the opinion of the Chief Building Official, the child safety device will afford equal protection to small children, the Chief shall approve the same in writing. The Chief shall establish specific compliance criteria for any such child safety device, which shall be installed and inspected for compliance therewith prior to filling the swimming pool with water.

16.36.150 Applicability.

This article is intended to, and does hereby, apply to swimming pools for Group R, Division 3 occupancies. Any public swimming pool shall meet the barrier requirements contained in Title 24, Part 2, Section 9024 of the California Code of Regulations.

Article II. Title, Scope and General

16.36.210 Swimming Pool, Spa and Hot Tub Code adopted.
The Uniform Swimming Pool, Spa and Hot Tub Code, 2009 Edition, and the standards cited in Table 1 thereof, hereafter collectively known as the "USPC," as published by the International Association of Plumbing and Mechanical Officials, is adopted as the swimming pool code for the city of Rancho Cordova, with such revisions, exceptions, deletions, and additions approved by the city council hereinafter set forth in this chapter as exceptions to the USPC. Part I of the USPC is not adopted as part of the Rancho Cordova swimming pool code. Except as otherwise provided by this chapter and Chapter 16.02 RCMC, all construction, electrification and maintenance of swimming pools and barriers within the city shall be in conformance with State Codes and any rules and regulations promulgated pursuant thereto.

16.36.220 Short title.
The Uniform Swimming Pool, Spa and Hot Tub Code, 2009 Edition, including the standards cited in Table 1 thereof, and the revisions, exceptions, deletions, and additions provided herein, shall be known and cited as the Rancho Cordova swimming pool code.

16.36.230 Purpose.
The purpose of the Rancho Cordova swimming pool code is to provide minimum requirements and standards for the protection of the public health, safety, and welfare.

16.36.240 Scope.
The provisions of the Rancho Cordova swimming pool code shall apply to the erection, installation, alteration, addition, repair, relocation, replacement, maintenance, or use of any swimming pool, spa, or hot tub plumbing system except as otherwise provided for in the Rancho Cordova Municipal Code or applicable state law.

16.36.250 Exceptions to swimming pool locations.
The Chief Building Official may authorize the construction of a swimming pool, hot tub, spa, spa pool, or similar pools across a property line or in the rear yard or side yard of an adjacent lot or within the common area of a planned development, provided:

1. The construction of the swimming pool, spa, spa pool, hot tub, or other pool and the location thereof has been previously approved by the planning department; or the location of the swimming pool, spa, spa pool, hot tub, or other pool is specified on an approved tentative subdivision map.
2. Easements have been recorded and reserved for the lot which specifically provide for the location and construction of the swimming pool, hot tub, spa, spa pool, or other pool and necessary appurtenances and which allow for the use and maintenance of the swimming pool, spa, spa pool, hot tub, and other pool and appurtenances.
3. The easements, prior to the recordation thereof, have been approved by the city attorney.

Article III. Amendments to the Uniform Swimming Pool, Spa and Hot Tub Code, 2009 Edition

16.36.310 Chapter 3 retitled.
Chapter 3 of the Uniform Swimming Pool, Spa and Hot Tub Code, titled "General Requirements Public and Private Pools," shall be re-titled in the Rancho Cordova Municipal Code to read "General Requirements – Private Pools."

16.36.320 Section 302, Turnover Time, amended.
Section 302 of the Uniform Swimming Pool, Spa and Hot Tub Code is amended to read as follows:

Section 302 Turnover Time. The entire design of matched components shall have sufficient capacity to provide a complete turnover of pool water in:

1. Private pools: 12 hours or less.
2. Wading pools: 2 hours or less.
3. Private spas and hot tubs: 1 hour or less.

16.36.330 Section 310, Wastewater Disposal, amended.
Section 310 of the Uniform Swimming Pool, Spa and Hot Tub Code is amended to read as follows:

Section 310. Wastewater Disposal. No direct or indirect connection shall be made between any storm drain, sewer, drainage system, seepage pit, underground leaching pit, or subsoil drainage line and any line connected to a swimming pool unless approved by the administrative authority.

When wastewater from a swimming pool is permitted by the administrative authority to be disposed of through a public sewer, an approved 18-inch sump with a three inch diameter external trap shall be installed with a connection to a four inch diameter minimum house sewer and shall extend to a minimum of three inches above finished grade and below the finished floor. The connection between the filter waste discharge piping and the sump shall be made by means of an air gap.

Plans and specifications for any deviation from the above manner of installation shall first be approved by the administrative authority before any portion of any such system is installed. When wastewater disposal is to a seepage pit installation, it shall be installed in accordance with the approval granted by the administrative authority.

16.36.335 Section 317(a) amended.
Section 317(a) of the Uniform Swimming Pool, Spa and Hot Tub Code is amended to read as follows:

(a) All pool, spa, and hot tub piping shall be inspected and approved before being covered or concealed. It shall be tested and proved tight to the satisfaction of the Chief Building Official, under a static water or air pressure test of not less than 35 psi for 15 minutes.

Exceptions:

i. All exposed equipment need not be tested as required in this section.

ii. Pool and/or spa solar systems and their related above-ground piping shall be tested under actual operating conditions.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 28-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING RANCHO CORDOVA MUNICIPAL CODE CHAPTER 17.04, "FIRE CODE" WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA FIRE CODE, AND BY REFERENCE THE 2010 INTERNATIONAL FIRE CODE.

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAINS AS FOLLOWS:

Section 1. Chapter 17, Chapter 17.04 "Fire Code," is hereby amended to read as follows:

FIRE CODE

Sections

17.04.010 Adoption of Fire Codes.
17.04.020 Enforcement.
17.04.030 Definitions.
17.04.040 Modifications.
17.04.050 Appeals.
17.04.060 New Materials, Processes Or Occupancies Which may Require Permits.
17.04.070 Penalties
17.04.080 Amendment of Adopted Code
17.04.090 High Explosives
17.04.100 Public Safety 800 mhz Radio Building Amplification System
17.04.110 Flammable And Combustible Liquids and Liquefied Petroleum Gases
17.04.120 Structural Fires

17.04.010 Adoption of Fire Codes.

The California Fire Code, Part 9, Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in the California State Health and Safety Code section 18901 et. Seq. (hereinafter referred to as the "State Code"), and any rules and regulations promulgated pursuant thereto including the International Fire Code, 2010 Edition, as published by the International Code Council, and as referenced in and adopted pursuant to California State Health and Safety Code Sections 17922 and 18935, (hereinafter referred to as the "IFC"), and Appendices–, B and C (hereinafter referred to as the "Appendix"), are herby adopted and incorporated by referenced herein. Except as otherwise provided by this Chapter and Chapter 16.02 of the Rancho Cordova Municipal Code, all construction, alteration, moving, demolition, repair, and use of any building or structure within the City shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto, including the IFC and the Appendix. From the effective date of this ordinance, the provisions thereof shall be controlling within the limits of the City of Rancho Cordova except that any inconsistent regulations and ordinances relating to building standards contained in the State Code, IFC and the Appendix adopted pursuant to applicable law by the Sacramento Metropolitan Fire District shall be controlling within the City of Rancho Cordova if said regulation or ordinance has been ratified by the City in accordance with California Health and Safety Code section 13869.7.

17.04.020 Enforcement.

The Chief of the Sacramento Metropolitan Fire District or his/her designated representatives shall have authority to enforce this chapter and issue citations for violations.

17.04 030 Definitions.
(a) Whenever the word "Fire Code" is used in this ordinance, it shall mean the State Code and IFC adopted by reference pursuant to Section 17.04.010.

(b) Wherever the word "municipality" is used in the Fire Code, it shall mean the City of Rancho Cordova.

(c) Wherever the words "Chief" or "Chief of the bureau of fire prevention" are used in this ordinance or the Fire Code, they shall mean the Chief of the Sacramento Metropolitan Fire District or his/her designated representatives.

17.04.040 Modifications.
The Chief may modify any of the provisions of the Fire Code upon application in writing by the owner or lessee, or his/her duly authorized agent, when the Chief determines there are practical difficulties in the way of carrying out the strict letter of the code, provided that the spirit of the code shall be observed, public safety secured, and substantial justice done. The particulars of such modification when granted or allowed and the decision of the Chief or his/her designated representative thereof shall be entered upon the records of the department and a signed copy shall be furnished by the applicant.

For the purposes of this section, the cost of compliance with the provisions of this Code shall not constitute a practical difficulty.

17.04.050 Appeals.
Any person aggrieved by any decision or action of the Chief may appeal to the Board of Directors of Sacramento Metropolitan Fire District by filing a written notice of appeal with the Clerk of the Board of Directors within thirty (30) days from the date such decision or action was taken. The applicable rules and regulations regarding the appeals process and procedures for hearings shall be those of the Sacramento Metropolitan Fire District.

17.04.060 New Materials, Processes or Occupancies Which May Require Permits. The Chief may appoint two members from his/her staff to act as a committee to determine and specify, after giving affected persons an opportunity to be heard at an office hearing, any new material, processes or occupancies, which shall require permits, in addition to those now enumerated in the code. The Chief or his/her designated representative shall post such list in a conspicuous place in his/her office, and distribute copies thereof to interested persons.

17.04.070 Penalties.
(a) Any person who violates any of the provisions of this chapter and the code hereby adopted or fails to comply therewith, or who violates or fails to comply with any order made thereunder, or who builds in violation of any detailed statement of specifications or plans thereunder, or who fails to comply with such an order as affirmed or modified by the City of Rancho Cordova or by a court of competent jurisdiction, within the time fixed herein, shall severally for each and every such violation be guilty of an infraction, punishment by a fine not to exceed two hundred fifty dollars ($250.00). Violation of Chapter 1, Section 109.2.2 Compliance with Orders or Notices, and Section 109.2.4 Unauthorized tampering, shall constitute a misdemeanor, and shall be punishable by fine of one thousand dollars ($1,000.00), or by imprisonment not to exceed six (6) months, or by both such fine and imprisonment. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue; and all persons shall be required to correct or remedy such violation or defects within a reasonable time to be determined by the Chief on a case-by-

case basis. When not otherwise specified each day or portion thereof during which any violation occurs or continues shall constitute a separate offense.

(b) The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions.

17.04.80 Amendments of Adopted Code.
Notwithstanding the provisions of Section 17.04.010, the State Code, the IFC and Appendix are amended as follows:

A. Chapter 1 is amended as follows:

1. SECTION 104 – GENERAL AUTHORITY AND RESPONSIBILITIES is amended by adding subsection 104.7.2.1 to read as follows:

104.7.2.1 Contract Inspector. The Chief or his/her designated representatives may require the owner or the person in possession or control of the building or premises to provide, without charge to the fire department, a special inspector ("Contract Inspector"), when the department has no technical expertise available to conduct the required inspections.

The Contract Inspector shall be a qualified person who shall demonstrate his/her competence to the satisfaction of the Chief, for inspection of a particular type of construction, operations, fire extinguishing or detection system, or process.

Duties and responsibilities of the Contract Inspector shall include but not be limited to the following:

(a) The Contract Inspector shall observe the work assigned for conformance with the approved design drawings and specifications.

(b) The Contract Inspector shall furnish inspection reports to the Chief, building official, and other designated persons as required by the Chief. All discrepancies shall be brought to the immediate attention of the contractor for correction, then if uncorrected, to the proper design authority, Chief, and to the building official.

(c) The Contract Inspector shall submit a final signed report stating whether the work requiring inspection was, to the best of his/her knowledge, in conformance with the approved plans and specifications and the applicable workmanship provision of this code.

2. SECTION 106 – INSPECTIONS is amended by adding subsection 106.2.1 and 106.2.2 to read as follows:

106.2.1 Administrative Costs. When a test or inspection is scheduled and the contractor fails to perform to the satisfaction of the authority having jurisdiction, the authority having jurisdiction may bill the contractor for actual time spent traveling to and from the test/inspection location and the time spent at the test/inspection site as well as administrative costs.

106.2.2 Inspection Record Card. Work requiring Fire Department approval may commence, but the person doing the work shall have posted or otherwise made available an inspection record card such as to allow the Chief to conveniently make the required entries thereon regarding inspection of the work. Work shall not be covered until the required inspections are completed. This card shall remain posted or remain otherwise available by the permit holder until the Chief has granted final approval.

3. SECTION 109 – VIOLATIONS is amended by adding subsection 109.2.3.1 and 109.3.2 to read as follows:

109.2.3.1 Citations. The Chief, or his/her duly authorized representative, may issue citations for infractions or misdemeanor violations of this chapter pursuant to Section 13871 of the Health and Safety Code of the State of California and Chapter 5c (commencing with Section 853.6) of Title 3 of Part 2 of the Penal Code of the State of California.

Section 109.3.2 is added as follows:

UNIFORM FIRE CODE BAIL SCHEDULE

SECTION	NATURE OF OFFENSE	PC	MA	BAIL PA	NCA	TOTAL
109.2.2*	NC W/ORDERS OR NOTICE	X		$1000	$1700	$2700
109.3.4*	UNAUTHORIZED TAMPERING	X		$1000	$1700	$2700
ALL OTHER SECTIONS		X		$100	$170	$270

* - MISDEMEANOR
PC - ELIGIBLE FOR PROOF OF CORRECTION
MA - MANDATORY APPEARANCE
PA - PENALTY ASSESSMENT
NCA - NIGHT COURT ASSESSMENT
NC - NONCOMPLIANCE

B. SECTION 202 – GENERAL DEFINITIONS is amended by adding or amending the following terms:

1. ELECTRONIC MONITORING SYSTEM shall mean an approved method to electronically detect and transmit to an approved alarm service provider's Type A (listed) Central Station, information indicating that the automatic fire sprinkler system or electronic fire detection system has been activated and shall have the ability to relay the alarm to the (a) Sacramento Regional Fire/EMS Communications Center; or (b) to the Sacramento International Airport Communication Center in an approved manner.

2. FALSE ALARM shall mean the giving, signaling or transmission to any public fire station or company or to any officer or employee thereof, whether by telephone, spoken word or otherwise, information to the effect that there is a fire, medical emergency, rescue request, or other need for emergency service at or near the place indicated by the person giving, signaling, or transmitting such information, and there is found to be no need for emergency services.

C. SECTION 315 – MISCELLANEOUS COMBUSTIBLE MATERIALS STORAGE is amended as follows:

1. Subsection 315.3.3 "Outside Storage of pallets and other combustibles" is added to read as follows:

315.3.3 Outside Storage of pallets and other combustibles. The maximum single pile dimension for outside storage of pallets and other combustibles shall be 25ftx100ft or 2,500 sq. ft. The maximum pile height shall be 20 feet. Distance of piles to structures shall not be less then 10 feet.

D. SECTION 401 - GENERAL is amended as follows:

1. Subsection 401.3.1.1 "Cost Recovery" is added as follows:

401.3.1.1 Cost Recovery. All costs incurred by the fire department related to any response to a false alarm may be charged to that person causing the transmission of the false alarm, or to that person's firm or corporation.

E. SECTION 503 - FIRE DEPARTMENT ACCESS ROADS is amended as follows:

1. Subsection 503.1.1 "Buildings and facilities" is amended as follows:

503.1.1 Required Access. Fire apparatus access roads shall be provided in accordance with Sections 501 and 503 for every facility, building or portion of a building including residential subdivisions in excess of 40 dwelling units hereafter constructed or moved into or within the jurisdiction when any portion of the facility or any portion of an exterior wall of the first story of the building is located more than 150 feet (45 720mm) from fire apparatus access as measured by an approved route around the exterior of the building or facility. See also Section 504 for personnel access to buildings.

EXCEPTIONS:
1. When buildings are completely protected with an approved automatic fire sprinkler system, the provisions of Sections 503.1.1 and 503.2 may be modified by the chief.
2. When access roads cannot be installed due to location on property, topography, waterways, nonnegotiable grades or other similar conditions, the chief is authorized to require additional fire protection.
3. When there are not more than two Group R, Division 3, or Group U Occupancies, the requirements of Sections 503.1.1 and 503.2 may be modified by the chief.

More than one fire apparatus road shall be provided in residential subdivisions in excess of 40 dwelling units and/or when it is determined by the chief that access by a single road might be impaired by vehicle congestion, condition of terrain, climatic conditions or other factors that could limit access.

For high-piled combustible storage, see Section 2306.6

For required access during construction, alteration or demolition of a building, see Section 1410.1

2. Subsection 503.6.1 "Emergency access gates and barriers," is added to read as follows:

503.6.1 Emergency Access Gates and Barriers. Where a new gate or barrier is installed on a fire access roadway, it shall be authorized by the Chief and meet the minimum requirements of The County Emergency Access Gates and Barriers Standard. Private driveways on lightly traveled streets as determined by the Sacramento County, Department of Transportation or the

appropriate public works agency having jurisdiction, serving one single-family residence may be exempt from the scope of this document. Approval of automatic gates or barriers is subject to the owner accepting responsibility for any future programming requirements by the authority having jurisdiction.

F. SECTION 505 - PREMISE IDENTIFICATION is amended as follows:

1. Subsection 505.1 "Address numbers" is amended to read as follows:

505.1 Premises identification.

505.1 General. Approved numbers or addresses shall be placed prior to occupying on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background. In setting requirements for addressing, the Chief may be guided by the standard published by the Rancho Cordova Building Department's, "Posting of Building Addresses".

2. Subsection 505.1.1 "Multiple tenant buildings" and 505.1.2 "Illumination" are added to read as follows:

505.1.1 Multiple tenant buildings. Multiple tenant spaces serviced by vehicular access to the rear through any driveway, alleyway, or parking lot shall have numbers or addresses placed prior to occupancy on all new and existing buildings as to be plainly visible and legible from the rear access way when deemed necessary by the Chief. Multiple tenant spaces serviced by rear access through a corridor, exit court, or exit yard shall have approved numbers or addresses displayed on the rear of the tenant space, when deemed necessary by the Chief.

Multiple tenant spaces that front on interior walkways or pedestrian malls shall have approved numbers or addresses placed over the entrance door in all new and existing buildings. An illuminated annunciator or directory board shall be required at every entrance where deemed necessary by the Chief.

505.1.2 Illumination. Addressing shall be illuminated at night in all new buildings. Signs shall be internally or externally illuminated. When the luminance or the face of a sign is from an external source, it shall have an intensity of not less than 5.0 foot-candles. Internally illuminated signs shall provide equivalent luminance.

G. SECTION 507 – FIRE PROTECTION WATER SUPPLIES is amended as follows:

1. Subsection 507.1 "Required Water Supply" is amended to read as follows:

507.1 Required Water Supply. An approved water supply capable of supplying the required fire flow for fire protection shall be provided to all premises upon which facilities, buildings or portions of buildings are hereafter constructed or moved into or within the jurisdiction. When any portion of the facility or building protected is in excess of 150 feet (45 720 mm) from a water supply on a public street, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains capable of supplying the required fire flow shall be provided when required by the Chief. See Section 508.5.

EXCEPTIONS:

1. Group R, Division 3 Occupancies provided with an automatic fire sprinkler system approved by the adopted NFPA Standard in areas not provided with a public water supply.
2. Group U Occupancies.
3. Water Supplies for Suburban and Rural Fire Fighting. Where the standards of this code cannot be met for development in rural areas, a fire sprinkler system or pressurized water system acceptable to the AHJ shall be acceptable to meet the water supplies required. Such proposals shall also be subject to the following:

    a. The structure is beyond 3,000 (914 M) feet of any existing adequate sized water system. Structures within 3000 (914 M) feet of an existing adequate sized water system, but beyond a water purveyor service area, will be reviewed on an individual basis.
    b. When public or private water becomes available, connection to such a system shall be required.

2. Section 507.5.5.1 "Vehicle parking" is added to read as follows:

507.5.5.1 Vehicle parking. It shall be an infraction to park, place or leave standing any unattended vehicle within 15 feet of any public or private fire hydrant along any public or private street or roadway.

EXCEPTION: If the vehicle is owned or operated by a fire department and clearly marked as a fire department vehicle.

H. SECTION 901 – GENERAL is amended as follows:

1. Subsection 901.7.1.1 "System maintenance" is added to read as follows:

901.7.1.1 System maintenance. All individuals or companies installing, repairing, testing, servicing or maintaining sprinkler systems, fire hydrant systems, standpipes, fire alarm systems, portable fire extinguishes, smoke and heat ventilators, smoke-removal systems and other fire protection or extinguishing systems or appliances shall be a fire protection contractor or contractor licensed for said work by the State of California or have the appropriate license required by the California State Fire Marshal's Office or both.

The authority having jurisdiction shall be notified immediately when a fire protection or detection system or portion thereof is found inoperable.

The authority having jurisdiction shall be notified in writing within 72 hours by the person performing repairs, testing, or maintenance when a fire protection or detection system is not in compliance with applicable codes.

When changes involve shutting off water for a considerable number of sprinklers for more than 4 hours, temporary water supply connections shall be made to sprinkler systems so that reasonable protection can be maintained. Protection shall be restored each night in so far as possible. The Chief may require a fire watch while any system is inoperative.

When shorts, failures or other interruptions of service occur within a building's fire alarm system that connects to an approved alarm service provider's Type A (listed) Central Station or is a local alarm only, the Chief may require the system to be disconnected or shunt out the private fire alarm system and/or circuit. When shorts, failures, or other interruption of service occur within a building's fire alarm system that connects to an approved alarm service provider's Type A (listed) Central Station, the Chief may require the system to be repaired and written notification to be provided to the Chief before he or she responds to alarms generated by the system.

Where alarm system(s) are wholly or partially out of service for more than 8 hours, the alarm company having responsibility shall notify the fire dispatch center.

I. SECTION 903 – AUTOMATIC SPRINKLER SYSTEMS is amended as follows:

1. Subsection 903.1.1 "Alternative protection," is retitled "All Occupancies except Group R, Division 3 and Group U Occupancies" and amended to read as follows:

EXCEPTION: Non-combustible, detached canopies open on four sides not exceeding the basic allowable square footage in the IBC used exclusively for the parking or storage of private or pleasure vehicles and non-combustible storage (includes fuel islands).

1. In every story or basement of all buildings when the floor area exceeds 1,500 square feet (139.4 m2) and there is not provided at least 20 square feet (1.86 m2) of opening entirely above the adjoining ground level in each 50 lineal feet (15,240 mm) or fraction thereof of exterior wall in the story or basement on at least one side of the building. Openings shall have a minimum dimension of not less than 30 inches (762 mm). Such openings shall be accessible to the fire department from the exterior and shall not be obstructed in a manner that firefighting or rescue cannot be accomplished from the exterior.

When openings in a story are provided on only one side and the opposite wall of such story is more than 75 feet (22,860 mm) from such openings, the story shall be provided with an approved automatic sprinkler system, or openings as specified above shall be provided on at least two sides of an exterior wall of the story.

If any portion of a basement is located more than 75 feet (22 860 mm) from openings required in Section 903.1.1, the basement shall be provided with an approved automatic sprinkler system.

2. At the top of rubbish and linen chutes and in their terminal rooms. Chutes extending through three or more floors shall have additional sprinkler heads installed within such chutes at alternate floors. Sprinkler heads shall be accessible for servicing.

3. In rooms where nitrate film is stored or handled. See also Section 306.2.

4. In protected combustible fiber storage vaults as defined in Chapter 2. See also Chapter 29.

5. In every new building where the total floor area exceeds 3,599 square feet (334.48 m2) or greater. See item #9 below. Nothing in this subsection shall preclude the use of fire resistive substitutions otherwise permitted under IBC.

6. An automatic fire sprinkler system shall be installed in any portion of a building where there is a change of occupancy and the floor area of that portion of the building, which is changed, exceeds 3,599 square feet (334.48 m2).

7. An automatic fire sprinkler system shall be installed in every building when there is an addition to the floor area in existence on the effective date of this ordinance of 20 percent or more within a 12-month period and the aggregate floor area of the building exceeds 3,599 square feet (334.48 m2).

8. In existing buildings, other than one or two family dwelling units. An automatic fire sprinkler system shall be installed in any portion of an existing building, other than one or two-family dwelling units, where alterations or repairs within any 12-month period exceed fifty percent (50%) of the assessed value of the existing building or structure.

9. For the provisions of this section, two or more buildings existing entirely within the property lines of one parcel shall be considered a single building when exterior wall protection is not provided and the aggregate floor area exceeds 3,599 square feet (334.48 m2).

10. For the provisions of this section, area separation walls shall not apply to eliminate the installation of a sprinkler system.

2. Subsection 903.2.18.1 "Group U Occupancies" is added as follows:

903.2.18.1 Group U Occupancies. Group U occupancies located within 6 feet (1828.8 mm) of sprinklered Group R Occupancy shall have fire sprinklers installed.

3. Subsection 903.3.7.1 "General" is added to read as follows:

903.3.7.1 General. Fire-extinguishing systems shall be installed in accordance with the Building Code and Section 903 and 904.

Fire hose threads used in connection with fire-extinguishing systems shall be National Standard hose thread or as approved.

The location of fire department hose connections shall be approved.

In buildings used for high-piled combustible storage, fire protection shall be in accordance with Chapter 23.

When required by the Chief, approved signs shall identify the building(s) or portions of buildings served by a fire department connection.

When required by the Fire Chief fire pumps shall be automatic.

4. Subsection 903.4.4 "Valves" is added to read as follows:

903.4.4 Valves. When required by the Chief, valves controlling sprinkler systems shall be maintained in an open position by locking the valve open in an approved manner.

5. Subsection 903.4.5 "Fire control room" is added to read as follows:

903.4.5 Fire control room. An approved fire control room shall be provided for all buildings protected by an automatic fire extinguishing system. Said room shall contain all system control valves, fire alarm control panels and other fire equipment required by the Chief. Fire control rooms shall be located within the building at a location approved by the Chief, and shall be provided with a means to access the room directly from the exterior. Durable signage shall be provided on the exterior side of the access door to identify the fire control room.

EXCEPTION: Group R, Division 3 Occupancies.

6. Subsection 903.6.3 "Existing sprinkler systems" is added to read as follows:

903.6.3 Existing sprinkler systems. All existing automatic sprinkler systems shall be monitored for water flow by an approved alarm service provider's Type A (listed) Central Station.

J. SECTION 907 - FIRE ALARM AND DETECTION SYSTEMS is amended as follows:

1. Subsection 907.7.5.3 "Monitoring" is added to read as follows:

907.7.5.3 Monitoring. Required alarm systems shall be monitored by an approved alarm service provider's Type A (listed) Central Station as established by Sacramento Regional Fire/EMS Communication Center.

The Central Station monitoring company or approved Alarm Company shall notify the authority having jurisdiction in writing, within 72 hours, of systems that are found not to be in compliance with applicable codes.

Receipt of supervisory signals by the monitoring company require the dispatch of a runner or maintenance person (arrival time not to exceed 1 hour), unless the condition can be restored to normal through the subscriber's efforts.

2. Subsection 907.7.5.4 "Branch electrical circuits" 907.7.5.5, "Multi-building or zone monitoring," and 907.7.5.6, "Alarm transmission," are added to read as follows:

907.7.5.4 Branch electrical circuits. When providing a fire alarm circuit in a multiple occupancy type building (multiple metering), the circuit shall be energized from the house meter panel board.

When a separate source of power (i.e. emergency generator) is provided the fire alarm circuit shall be energized from the emergency panel board.

907.7.5.5 Multi-building or zone monitoring. When a Central Station is monitoring more than one zone or building with a single retransmitter, the Central Station shall identify the particular zone or building or both that is in alarm, where required by the Chief.

Fire Alarm Panels installed at the protected premise shall be capable of differentiating between signals, including water flow, manual, and automatic activating components and transmitting distinctive fire alarm, supervisory and trouble signals.

907.7.5.6 Alarm transmission. The activation of a fire sprinkler system, hood extinguishing system, special extinguishing system or a fire alarm/detection system shall cause

the system to initiate a signal to the Central Station within 90 seconds. Retransmission from the Central Station to the Fire Dispatch Center shall not exceed 60 seconds.

EXCEPTION: Existing building without an alarm system which install hood extinguishing systems or special extinguishing systems need not be monitored.

3. Subsection 907.7.5.1 "Automatic telephone dialing devices" is amended to read as follows:

907.7.5.1 Automatic telephone dialing devices. Two separate telephone lines (numbers) shall be provided from the protected premises to the Central Station, which use Digital Alarm Communicator Transmitter (DACT). All costs regarding the installation, maintenance, and continuous operation of those lines shall be the responsibility of the building owner.

K. SECTION 2703 - GENERAL REQUIREMENTS is amended as follows:

1. Section 2703.10.3.7 "Parking and garaging" is added as follows:

2703.10.3.7 Parking and garaging. Vehicles containing hazardous materials in amounts that require placarding under state or federal law and possessing the physical hazards listed in Section 2701.2.2 shall not be left unattended on any residential street; nor in or within 500 feet of any residential area, apartment or hotel complex, educational, hospital or care facility at any time; or at any place that would, in the opinion of the Chief, present a life or safety hazard.

L. SECTION 3308 - FIREWORKS DISPLAY is amended as follows:

1. Section 3308.1 "General" is amended to read as follows:

3308.1 General. Fireworks and temporary storage, use and handling of pyrotechnic special effects material used in motion pictures, television, and theatrical and group entertainment productions shall be in accordance with this article and local and state regulations.

2. Section 3308.2 "Permit Application" is amended to read as follows:

3308.2 Permit Application. Permits are required to conduct a fireworks display as required by local and state regulations. Permit application shall be made not less than 14 days prior to the scheduled date of the display. The permit application shall include a diagram of the grounds on which the display is to be held showing the point at which the fireworks are to be discharged; the location of buildings, highways and other lines of communication; the lines behind which the audiences will be restrained; and the location of nearby trees, telegraph or telephone lines and other overhead obstructions. At the time of permit application, the Chief shall be consulted regarding requirements for standby personnel and fire apparatus.

3. Section 3308.3 "Sales" is added to read as follows:

3308.3 Sales. Permits are required for the sale and display of "Safe and Sane" approved fireworks as permitted and regulated by Article 7 of Chapter 4.54 of the Sacramento County Code as presently constituted, and as hereinafter amended.

4. Section 3308.4 "Storage" is added to read as follows:

3308.4 Storage. Storage of fireworks is prohibited except by special permits as required by local and state regulations.

5. Section 3308.5 "Pyrotechnic special effects material" is added to read as follows:

3308.5 Pyrotechnic special effects material. A permit is required to manufacture, compound, store or use pyrotechnic special effects material as required by local and state regulations. A permit for use shall be granted only to a licensed pyrotechnic operator.

6. Section 3308.6 "General" is added to read as follows:

3308.6 General. Storage, use and handling of fireworks shall be in accordance with local and state regulations.

7. Section 3308.7 "Seizure" is amended to read as follows:

3308.7 Seizure. The Chief is authorized to seize, take, remove or cause to be removed at the expense of the owner all stocks of fireworks offered or exposed for sale, stored or held in violation of local, state, or federal regulations.

8. Section 3308.8 "General" is added to read as follows:

3308.8 General. Fireworks displays shall be in accordance with local and state regulations.

9. Section 3308.9 "General" is amended as follows:

3308.9 General. Temporary storage, use and handling of pyrotechnic special effects material used in motion picture, television, theatrical and group entertainment productions shall be in accordance with local and state regulations. Permanent storage of pyrotechnical special effects materials shall be in accordance with Section 3308.

M. Appendix B is amended as follows:

1. Subsection B105.2, "Buildings other than one-and two-family dwellings is amended to read as follows:

B105.2 Buildings other than One- and Two-Family Dwellings. The minimum fire flow and flow duration for buildings other than one- and two-family dwellings shall be as specified in Table B105.1.

EXCEPTION:
1. A reduction in required fire flow of up to 50 percent, as approved by the Chief, is allowed when the building is provided with an automatic sprinkler system approved pursuant to the adopted NFPA Standards. The resulting fire flow shall not be less than 1500 gallons per minute (5677.5 L/min.). Reduction of fire flow does not apply to number of fire hydrants required or duration of fire flow required.
2. A reduction in required fire flow of up to 75 percent, as approved by the Chief, for warehouse buildings of Type I, Type II, and Type III-N construction and provided with early suppression fast response fire sprinkler systems. Reduction of

fire flow does not apply to number of fire hydrants required or duration of fire flow required.

N. Appendix C is amended as follows:

1. SECTION C104 - CONSIDERATION OF EXISTING FIRE HYDRANTS is amended to read as follows:

C104.1 Existing fire hydrants on public streets are allowed to be considered as available. Existing fire hydrants on adjacent properties shall not be considered available unless fire apparatus access roads extend between properties and easements are established to prevent obstructions of such roads.

C104.2 Existing single outlet 2 1/2 inch hydrants shall be changed to an approved steamer style hydrant, when a tentative subdivision or parcel map, merge of lots, change of use or change in intensity of use of an existing building, expansion of an existing structure, or construction increases the required fire flow.

C104.3 Where water main improvements are required to meet GPM flow and the existing water main has a single 2 1/2 inch outlet fire hydrant, an upgrade of hydrants will be required.

C104.4 Existing hydrants affected by right of way improvements shall be moved to an approved location at no cost to the fire authority.

2. TABLE NO. C105.1, NUMBER AND DISTRIBUTION OF FIRE HYDRANTS is amended to read as follows:

TABLE NO. C105.1
NUMBER AND DISTRIBUTION OF FIRE HYDRANTS

FIRE FLOW REQUIREMENT (gpm)	MINIMUM NO. OF HYDRANTS	AVERAGE SPACING BETWEEN HYDRANTS [1,3,& 4] (Ft.)	MAXIMUM DISTANCE FROM HYDRANT TO ANY POINT ON STREET OR ROADWAY FRONTAGE[3] (Ft.)
1750 or less	1	300	150
2000-2250	2	300	150
2500	3	300	150
3000	3	300	150
3500-4000	4	300	150
4500-5000	5	300	150
5500	6	300	150
6000	6	250	150
6500-7000	7	250	150
7500 or more	8 or more[2]	200	120

[1]Reduce by 150 feet for dead-end streets or roadways.

[2]One Hydrant for each 1000 gpm or fraction thereof.

[3]Where new water mains are extended along streets where hydrants are not needed for protection of structures or similar fire problems, fire hydrants should be provided at not less than 1000 foot (305 m) spacing to provide for transportation hazards. In addition, there shall be at least one hydrant at each intersection.

[4]Average spacing between hydrants may be extended to 500 feet on streets serving one and two family dwellings.

3. SECTION C106, HYDRANT TYPE is added to read as follows:

The Chief shall approve the type of fire hydrants to be installed in public right of way or on private property prior to any such installation.

4. SECTION C107 - HYDRANTS - BOTH SIDES OF A STREET is added to read as follows:

Hydrants shall be required on both sides of the street whenever one or more of the following conditions exist:

1. Streets have median center dividers that make access to hydrants difficult, cause time delay, or create undue hazard or both.

2. When there are four or more lanes of traffic.

3. Width of street in excess of 88 feet.

4. The existing street being widened or having a raised median center divider in the future pursuant to the General Plan Roadway Improvement Plans for the County of Sacramento.

O. Chapter 47 NATIONALLY RECOGNIZED STANDARDS OF GOOD PRACTICE is added to read as follows:

NATIONAL FIRE PROTECTION ASSOCIATION
Batterymarch Park, Quincy, MA 02269

All NFPA Standards shall be adopted except:

11C	13E	13R	297	473	550	902	1001	1002	1003	1021	1031
1033	1035	1041	1201	1221	1402	1404	1405	1410	1500	1561	1581
1901	1911	1914	1931	1932	1971	1975	1981	1982	1983	1999	1710
1720											

17.04.090 High Explosives.
In accordance with the provisions of Division 11, EXPLOSIVES, Part 1, HIGH EXPLOSIVES, of the Health and Safety Code (Sections 12000, 12401), the Chief of Police shall have the primary responsibility for the enforcement of the provisions therein. Wherever there appears in the Fire Code any rule, regulation or provision that is in conflict with the Health and Safety Code, the Health and Safety Code shall rule.

17.04.100 Public Safety 800mhz Radio Building Amplification System.
All buildings or portions of building hereafter constructed shall provide for adequate emergency personnel radio communications by complying with the Public Safety 800 Mhz Radio Building Amplification System Installation and Testing Standard.

Exemption. This section shall not apply to buildings less than 5000 square feet or any R-3 occupancy.

17.04.110 Flammable And Combustible Liquids And Liquified Petroleum Gases.
A. Applications for permits for the installation or modification of above ground tanks for the storage of flammable and combustible liquids shall be made to the Rancho Cordova Building Department, and the Sacramento Metropolitan Fire District. Files, records, and copies of all permits shall be kept in the Rancho Cordova Building Department and will be available on request. The Rancho Cordova Building department shall instruct the applicant as to the necessity of also obtaining concurrent approval from the Sacramento Metropolitan fire District for issuance of a permit.

B. In addition to any other applicable requirements, the installation or modification of underground tanks for the storage of hazardous materials, including flammable and combustible liquids, shall require valid permits from the Environmental Health Branch of Sacramento County and the Sacramento Metropolitan Fire District.

C. Applications for permit for the installation or modification of liquefied petroleum gases shall be made to the Rancho Cordova Building Department and the Sacramento Metropolitan Fire District, whose decisions shall be final.

17.04.120 Structural Fires.
The Chief shall notify all occupants or owners of structures, which have suffered damage by fire, that such structures or buildings must be inspected before any repairs thereto are made. A permit covering the structural, electrical and plumbing repairs shall be obtained from the Rancho Cordova Building Department. The Chief shall report all such structural fires to the Rancho Cordova Building Department on a form prescribed by the Building Department within twenty-four hours after the occurrence of such fire.

Section 2. Severability

If any provisions of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this ordinance are severable. This city council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

Within fifteen (15) days from and after adoption, this ordinance shall be published once in the Grapevine Independent, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with California Government Code Section 36933. This ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 29-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING CHAPTER 16.06, "RESIDENTIAL CODE" TO THE RANCHO CORDOVA MUNICIPAL CODE WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA RESIDENTIAL CODE, AND BY REFERENCE THE 2009 INTERNATIONAL RESIDENTIAL CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.06, "Residential Code," is hereby added to read as follows:

RESIDENTIAL CODE

Sections:

16.06.010 Title.
16.06.020 Purpose.
16.06.030 Adoption of residential codes.
16.06.040 Amendment of adopted codes.

16.06.010 Title.
This chapter shall be known and cited as the Rancho Cordova Residential Code.

16.06.020 Purpose.
The purpose of the Rancho Cordova Residential Code is to provide minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, installation, quality of materials, use and occupancy, location and maintenance of all buildings and structures within this jurisdiction, and certain equipment specifically regulated herein.

16.06.030 Adoption of building codes.
The 2010 California Residential Code, Part 2.5, (hereinafter referred to as the "CRC") Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in Section 18901 et seq. of the California State Health and Safety Code (hereinafter referred to as the "State Code"), and any rules and regulations promulgated pursuant thereto, including the International Residential Code, 2009 Edition, as published by the International Code Council, and as referenced in and adopted pursuant to Sections 17922 and 18935 of the California State Health and Safety Code (hereinafter referred to as the "IRC"), Appendix H (Patio Covers) of the CRC (hereinafter referred to as the "appendix"), are hereby adopted and incorporated by reference herein, excluding Sections R102 through R114, of the CRC, which are adopted pursuant to Chapter 16.02 Rancho Cordova Municipal Code (RCMC). Except as otherwise provided by this chapter and Chapter 16.02 RCMC, all construction, alteration, moving, demolition, repair, and use of any building or structure within the city shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto, including the IRC and the appendix.

16.06.040 Amendment of adopted codes.
Notwithstanding the provisions of RCMC 16.06.030, the State Code, the IRC and appendix are amended as follows:

A. Section R506.2.3, "Vapor retarder," is amended to read as follows:

R506.2.3 Vapor retarder. Groups R-1 and R-3 occupancies with concrete floors bearing on the ground shall have provided below the concrete floor a minimum of 4 inches of clean, well graded crushed rock or gravel 3/8 inch minimum to 1 1/2 inches maximum size. A 6-mil (0.006 inch; 0.15 mm) polyethylene vapor retarder with joints lapped not less than 6 inches (152 mm) shall be placed between the concrete floor slab and the base course or the prepared subgrade, or other approved equivalent methods or materials shall be used to retard vapor transmission through the floor slab.

Exception: A vapor retarder is not required:
1. For detached garages, utility buildings or other unheated accessory structures.
2. For unheated storage rooms having an area of less than 70 square feet (6.5 m2) and carports.
3. For driveways, walks, patios and other flatwork not likely to be enclosed at a later date.
4. Where approved by the building official, based on local site conditions.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

Within fifteen (15) days from and after adoption, this Ordinance shall be published once in the Grapevine Independent, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with California Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 30-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING CHAPTER 16.26, "ENERGY CODE" TO THE RANCHO CORDOVA MUNICIPAL CODE WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA ENERGY CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.26, "Energy Code," is hereby added to read as follows:

ENERGY CODE

Sections:

16.26.010 Title.
16.26.020 Purpose.
16.26.030 Adoption of Energy Code.

16.26.010 Title.
This chapter shall be known and cited as the "Rancho Cordova Energy Code."

16.26.020 Purpose.
The purpose of the Rancho Cordova Energy Code is to provide minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, installation, quality of materials, use and occupancy, location and maintenance of all buildings and structures within this jurisdiction.

16.26.030 Adoption of Energy Codes.
The 2010 California Energy Code, Part 6, Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in the California State Health and Safety Code Section 18901 *et. seq.* (hereinafter referred to as the "State Code"), and any rules and regulations promulgated pursuant thereto, as published by the International Code Council, and as referenced in and adopted pursuant to California State Health and Safety Code Sections 17922 and 18935, are hereby adopted and incorporated by reference herein. Except as otherwise provided by this chapter and Chapter 16.02 RCMC, all construction, alteration, moving, demolition, repair, and use of any building or structure within the city shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 31-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING CHAPTER 16.38, "GREEN BUILDING CODE" TO THE RANCHO CORDOVA MUNICIPAL CODE, WHICH ADOPTS BY REFERENCE THE 2010 CALIFORNIA GREEN BUILDING STANDARDS CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Title 16, Chapter 16.38, "Green Building Code," is hereby added to read as follows:

GREEN BUILDING CODE

Sections:

16.38.010 Title.
16.38.020 Purpose.
16.38.030 Adoption of Green Building Codes.

16.38.010 Title.
This chapter shall be known and cited as the "Rancho Cordova Green Building Code."

16.38.020 Purpose.
The purpose of the Rancho Cordova Green Building Code is to provide minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, installation, quality of materials, use and occupancy, location and maintenance of all buildings and structures within this jurisdiction.

16.38.030 Adoption of Green Building Codes.
The 2010 California Green Building Standards Code, Part 11, Title 24 of the California Code of Regulations, a portion of the California Building Standards Code, as defined in the California State Health and Safety Code Section 18901 *et. seq.* (hereinafter referred to as the "State Code"), and any rules and regulations promulgated pursuant thereto, as published by the California Building Standards Commission, and as referenced in and adopted pursuant to California State Health and Safety Code Sections 17922 and 18935, are hereby adopted and incorporated by reference herein. Except as otherwise provided by this chapter and Chapter 16.02 RCMC, all construction, alteration, moving, demolition, repair, and use of any building or structure within the city shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 3. Effective Date and Publication

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director

SUBJECT: **RESOLUTION APPROVING THE ABANDONMENT OF A 10 FOOT PLANTING EASEMENT PARRELLEL TO AND ADJACENT TO HIGHWAY 50 ON LOT 42 OF BRADSHAW WOODS UNIT NO. 4 LOCATED ON RESIDENTIAL PROPERTY AT 3128 HOGARTH DRIVE**

RECOMMENDATION

Adopt Resolution No. 129-2010.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will remove the 10 foot Planting Easement shown on the map of Bradshaw Woods Unit No. 4 recorded in Book 128 of Maps, at Page 8 to allow the resident to pull a building permit.

BACKGROUND

3128 Hogarth Drive is a residential lot located adjacent to Highway 50. A 10 foot planting easement was granted over lot 42 in 1979 with the recording of the subdivision map creating the lot to accommodate vegetation that would help to shield the lot from traffic noise. Caltrans completed the construction of a 10 foot sound wall along the common property line this summer making the planting easement no longer necessary.

The property owner desires to obtain a building permit for a patio cover that will encroach in the area of the planting easement. The easement must be vacated prior to the issuance of the permit.

A Notice of Hearing was posted on site and published in the Grapevine Independent on November 5, 2010 pursuant to the provisions of the Public Streets, Highways and Service Easement Vacation Law.

ATTACHMENT

Resolution No. 129-2010 including Exhibit A

AGENDA ITEM 10.2

CITY OF RANCHO CORDOVA

RESOLUTION NO. 129-2010

A RESOLUTION TO VACATE A 10 FOOT PLANTING EASEMENT PURSUANT TO THE PROVISIONS OF CHAPTER 3, PART 3 OF PUBLIC STREETS, HIGHWAYS, AND SERVICE EASEMENTS VACATION LAW COMMENCING AT SECTION 8320 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

WHEREAS, a hearing date was scheduled for a proposed resolution to vacate a 10 foot Planting Easement; and

WHEREAS, a notice of the hearing has been posted at City hall at least two weeks in advance of the hearing; and

WHEREAS, notice of the date, hour and place of hearing of the proposed vacation was published for at least two successive weeks prior to the hearing; and

WHEREAS, at least two weeks before the day set for the hearing at least three notices of vacation were conspicuously posted along the easements to be vacated, not more than 300 feet apart; and

WHEREAS, the hearing described above has been conducted, and this Council, having heard and considered all oral, documentary and other evidence presented, hereby finds, determines and orders as follows:

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA that the Council hereby finds as follows:

a) A sound wall has been constructed along the property line of 3128 Hogarth Drive.
b) The sound wall now attenuates the freeway noise causing the Planting Easement to no longer be necessary
c) The Department of Public Works recommends this abandonment be approved.

BE IT FURTHER RESOLVED AND ORDERED that the following described Irrevocable Offer of Dedication and Public Utility Easement are hereby vacated:

See attached **Exhibit A**

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

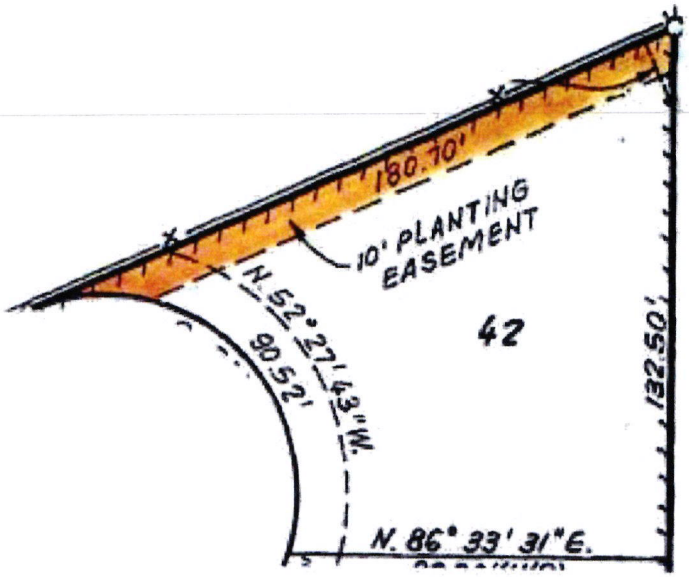
_____
Ken Cooley, Mayor

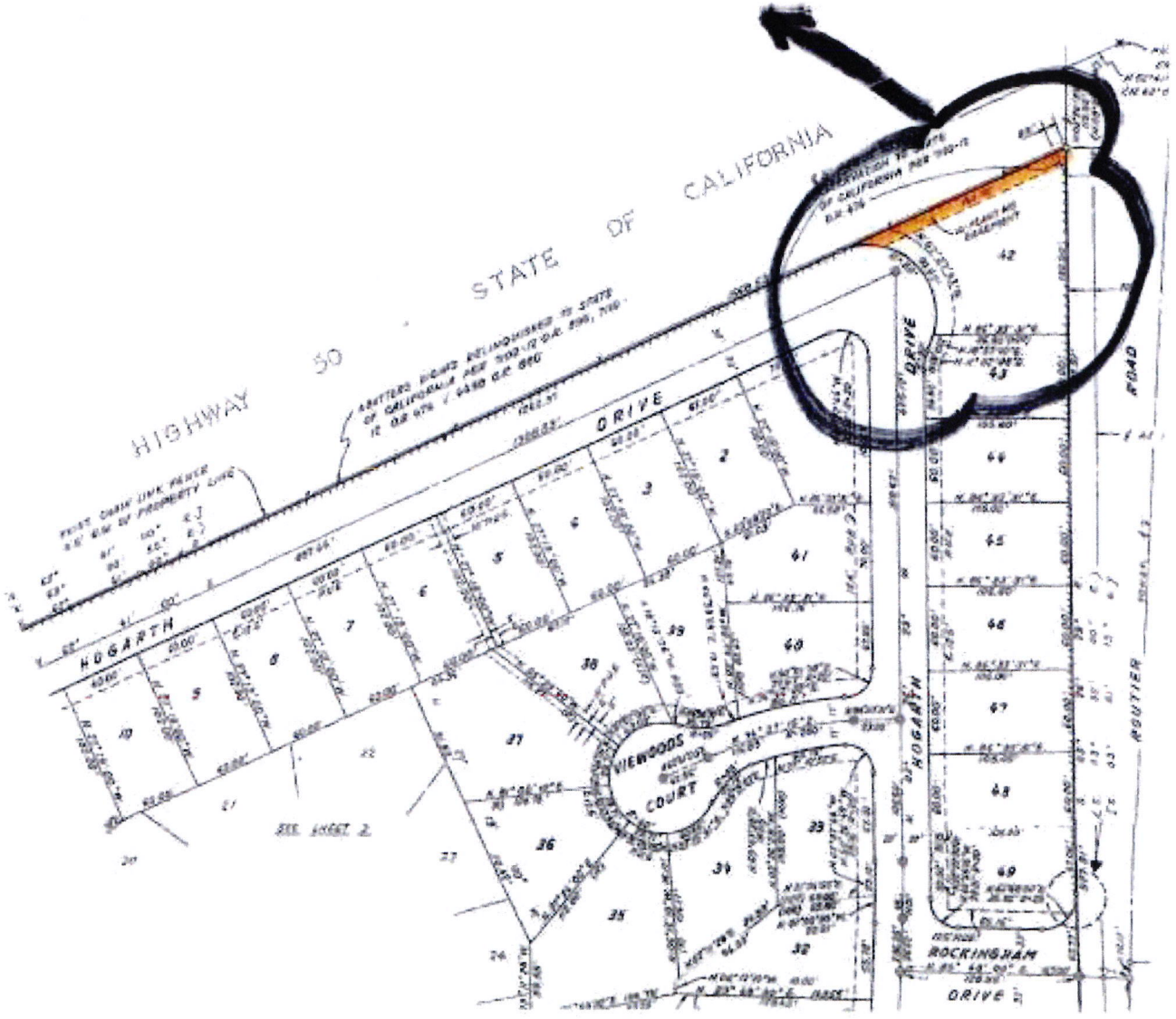
ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

EXHIBIT A

The 10 foot Planting Easement located on Lot 42 as shown on the Map of Bradshaw Woods Unit No. 4 recorded in the office of the Recorder of Sacramento County in Book 128 of Maps, Map No. 8


180.70'
10' PLANTING EASEMENT
N. 52° 27' 43" W.
90.52'
42
132.50'
N. 86° 33' 31" E.


HIGHWAY 50
STATE OF CALIFORNIA
DRIVE
HOGARTH
VIEWOODS COURT
ROCKINGHAM
DRIVE
ROUTIER
ROAD
SEE SHEET 2.

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and City Council Members

FROM: Adam Lindgren, City Attorney

SUBJECT: **ADOPTION OF AN ORDINANCE REAPPROVING THE TIER 1 DEVELOPMENT AGREEMENT BETWEEN THE CITY AND ELLIOTT HOMES, INC. FOR THE RIO DEL ORO PROJECT**

RECOMMENDATION

Waive first reading and introduce Ordinance 33-2010 reapproving the Tier 1 Development Agreement by and between the City and Elliott Homes, Inc. for the Rio del Oro Project.

RESULT OF RECOMMENDED ACTION

Adoption of Ordinance 33-2010 will reapprove the Rio del Oro Tier 1 Development Agreement between the City and Elliott Homes, Inc. The adoption of the Ordinance will modify and reapprove the Tier 1 Development Agreement to clarify that Elliott Homes, Inc. holds an option to acquire the property subject to the Development Agreement from two other Elliott entities. The Development Agreement contains minor technical modification and will not change any of the substantive provisions of the Development Agreement originally approved by the City Council on September 20, 2010.

BACKGROUND

On September 20, 2010, the City approved various items related to the Rio del Oro Specific Plan, a mixed use development on a total of approximately 3,828 acres northeast of Sunrise and Douglas Boulevards. One of those approvals was a Tier 1 Development Agreement for the 1,516-acre Elliott Homes Inc. ("Elliott") portion of the Rio del Oro property ("Development Agreement").

Following the approval, Elliott contacted the City and requested a technical amendment to the approved Development Agreement.

ANALYSIS

State law authorizes cities to enter into development agreements with entities that hold a legal or equitable interest in the real property that is the subject of the agreement. Option agreements have been expressly recognized as such a legal or equitable interest. The requested amendment to the Elliott Tier 1 Development Agreement would result in the City entering into the Development Agreement with Elliott Homes as the

holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities, Elliott Whiterock, LLC and Stonecreek Industrial, LLC, rather than the City entering into the Development Agreement with Elliott as owner of the subject property.

The revised Tier 1 Development Agreement by and between the City and Elliott, attached hereto as Attachment 1, is intended solely to make the technical modification to the original Development Agreement indicating Elliott as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities. The two Elliott entities have agreed that, if for any reason Elliott fails to acquire the Elliott Property pursuant to its option, they will be bound by the terms and conditions of the Tier 1 Development Agreement. The consent form indicating this will now be attached to the Development Agreement as an exhibit. The executed consent form will be record with the Development Agreement. The attached revised Development Agreement has been modified to change recital C as follows:

> **C. Elliott Property.** Elliott holds an option to acquire that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, and attached hereto. Elliott represents that all persons holding legal or equitable interests in the property shall be bound by this Elliott Tier 1 Development Agreement, including the fee owners of the Elliott Property, Elliott Whiterock, LLC, and Stonecreek Industrial, LLC, who shall sign the consent to the Elliott's execution of this Elliott Tier 1 Development Agreement, attached hereto as Exhibit E, and agree to be bound to the terms and conditions hereof if Elliott fails to purchase the Elliott Property.

The attached revised Development Agreement will not result in any additional direct physical change in the environment, or any additional reasonably foreseeable indirect physical change in the environment and will not require additional environmental analysis.

On July 8, 2010, the Rancho Cordova Planning Commission ("Planning Commission") held a noticed, public hearing to consider the Tier 1 Development Agreements, the Rio del Oro Specific Plan (and corresponding amendment to Aerojet SPA), and certification of the EIR for the Project, and all other oral and written comments presented to them. Following the conclusion of the public hearing on July 8, 2010, the Planning Commission voted to recommend to the City Council approval of the two Tier 1 Development Agreements, the Specific Plan (and corresponding amendment to Aerojet SPA), and certification of the EIR for the project.

The technical modifications being made by the attached revised Development Agreement do not change any substantive provisions contained in the original Development Agreement approved by the City Council. The only changes contained in the attached revised Development Agreement is the clarification of the ownership of the property. All substantive provisions were considered by the Planning Commission on July 8, 2010, and therefore the revised Development Agreement does not need to go back to the Planning Commission for the Commission's consideration and recommendation.

ENVIRONMENTAL ANALYSIS

All environmental impacts have been reviewed and addressed at the time the original Development Agreement was approved. An environmental impact report/environmental impact statement (EIR/EIS) was prepared for the Rio del Oro Specific Plan for purposes of compliance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

The revised Development Agreement will not cause any additional direct physical change in the environment, or any additional reasonably foreseeable indirect physical change in the environment which has not already been analyzed in the environmental analysis done during the approval of the original Development Agreement.

RECOMMENDED MOTION

"I move that the City Council waive the first reading and introduce Ordinance No. 33-2010 reapproving the Tier 1 Development Agreement between the City and Elliott Homes, Inc. for the Rio del Oro Project with minor modifications."

ATTACHMENTS

1. Ordinance 33-2010 Readopting the Tier 1 Development Agreement between the City and Elliott Homes, Inc. for the Rio del Oro Project.

2. Tier 1 Development Agreement between the City and Elliott Homes, Inc. for the Rio del Oro Project.

1545760.1

CITY OF RANCHO CORDOVA

ORDINANCE NO. 33-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA REAPPROVING THE TIER 1 DEVELOPMENT AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND ELLIOTT HOMES, INC. FOR THE RIO DEL ORO PROJECT

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals

WHEREAS, on September 20, 2010, the City approved various items related to the Rio del Oro Specific Plan, a mixed use development on a total of approximately 3,828 acres northeast of Sunrise and Douglas Boulevards. One of those approvals was a Tier 1 Development Agreement for the 1,516-acre Elliott Homes ("Elliott") portion of the Rio del Oro property ("Original Development Agreement"); and

WHEREAS, following the approval, Elliott Homes contacted the City and requested a technical amendment to the approved Development Agreement; and

WHEREAS, State law authorizes cities to enter into development agreements with entities that hold a legal or equitable interest in the real property that is the subject of the agreement. Option agreements have been expressly recognized as such a legal or equitable interest. The requested modifications to the Elliott Tier 1 Development Agreement would result in the City entering into the Development Agreement with Elliott Homes as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities, Elliott Whiterock, LLC and Stonecreek Industrial, LLC, rather than the City entering into the Development Agreement with Elliott as owner of the subject property; and

WHEREAS, the revised Tier 1 Development Agreement, making the requested modifications, by and between the City and Elliott ("Revised Development Agreement"), attached hereto as Attachment 1, is intended solely to make the technical modification to the Original Development Agreement indicating Elliott as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities. The attached Revised Development Agreement will, therefore, not result in any additional direct physical change in the environment, or any additional reasonably foreseeable indirect physical change in the environment; and

WHEREAS, all environmental impacts have been reviewed and addressed at the time the Original Development Agreement was approved. An Environmental Impact Report ("EIR") was prepared for the Project and circulated in accordance with the requirements of the California Environmental Quality Act ("CEQA"). All recitals and findings of determination in Ordinance 16-2010, which adopted the Development Agreement on September 20, 2010, are still accurate and relevant to the attached Revised Development Agreement. Ordinance 16-2010 is adopted herein by reference; and

WHEREAS, in accordance with Government Code sections 65854 and 65867, the Rancho Cordova Planning Commission ("Planning Commission") held a noticed, public hearing on July 8, 2010 to consider the Development Agreement; and

WHEREAS, following the conclusion of the public hearing on July 8, 2010, the Planning Commission voted to recommend to the City Council approval of the original Tier 1 Development Agreement and certification of the EIR for the Rio del Oro project; and

WHEREAS, the technical modifications being made by the attached Revised Development Agreement do not change any of the substantive Original Development Agreement provisions that were considered and recommended by the Planning Commission, and therefore the Revised Development Agreement is not required to be submitted to the Planning Commission for their consideration and recommendation; and

WHEREAS, in accordance with Government Code section 65867, the Rancho Cordova City Council held a noticed public hearing on November 15, 2010, to consider approval of the Revised Development Agreement between the City and Elliott Homes, Inc., attached hereto as Attachment 1; and

WHEREAS, the public hearing was noticed in accordance with the requirements set forth in Government Code section 65090 and 65091.

Section 2. Findings and Determination

On the basis of (a) the foregoing Recitals, which are incorporated herein, (b) the Rio del Oro Specific Plan, (c) the City of Rancho Cordova's General Plan, (d) the Environmental Impact Report for the Rio del Oro project, and (e) on the basis of the specific conclusions set forth below, the City Council finds and determines that:

A. The Revised Development Agreement between the City and Elliott is consistent with the objectives, policies, general land uses and programs specified and contained in the City's General Plan, in that:

In accordance with Government Code section 65867.5(b), the Revised Development Agreement consistent with the City's General Plan. The Revised Development Agreement does not change any development rights of Elliott which were granted by the Original Development Agreement which was approved by the City Council on September 20, 2010. The Revised Development Agreement still vests Elliott's right to proceed with development of the property in accordance with the Rio del Oro Specific Plan. The Revised Development Agreement does not amend or revise the development standards in the Rio Del Oro Specific Plan. Therefore, the Revised Development Agreement will be consistent with the General Plan if development under the Rio del Oro Specific Plan, which is consistent with the City's General Plan. As required by Government Code section 65867.5(b), the City Council finds that the Revised Development Agreement, which vests development under the Specific Plan, are consistent with the City's General Plan. The findings and evidence to support this General Plan consistency determination is set forth, and incorporated herein by reference, in Ordinance 16-2010, which adopted the Original Development Agreement.

B. The Revised Development Agreement between the City and Elliott is consistent with the Rio Del Oro Specific Plan, in that the development standards under the Rio Del Oro Specific Plan are incorporated into and vested by the Revised Development Agreement. The Revised Development Agreement does not amend or alter the development standards under the Rio Del Oro Specific Plan.

C. The Revised Development Agreement is compatible with the uses authorized in, and the regulations prescribed for, the land use area in which the real property is located in that the project approvals include the Rio del Oro Specific Plan.

D. The Revised Development Agreement is in conformity with public convenience, general welfare and good land use policies in that it will implement land use guidelines set forth in the General Plan, which have planned for mixed-use development, consisting of both residential and commercial uses at this location.

E. The Revised Development Agreement will not be detrimental to the health, safety and general welfare in that the Rio del Oro project will proceed in accordance with all the programs and policies of the General Plan and Rio del Oro Specific Plan. The impacts of the development on existing land uses, public services and the environment have been evaluated and mitigated through the CEQA process, except for those impacts found to be significant and unavoidable for which the City Council adopted a Statement of Overriding Considerations.

F. The Revised Development Agreement will not adversely affect the orderly development of property or the preservation of property values in that the project will be consistent with the General Plan.

G. The Revised Development Agreement is consistent with the provisions of Government Code sections 65864 through 65869.5 in that they include all the substantive elements, and have been processed consistent with, all the procedural requirements of Government Code sections 65864 through 65869.5.

Section 3. CEQA Compliance

In compliance with the California Environmental Quality Act, on September 7, 2010, the Rancho Cordova City Council, pursuant to Resolution No. 92-2010 certified the EIR, adopted environmental findings pursuant to CEQA guidelines section 15091, adopted a statement of overriding considerations, and adopted a mitigation monitoring plan for the Rio del Oro project, including the two Tier 1 Development Agreements, prior to approval of the Development Agreements.

The only difference between the attached Revised Development Agreement by and between the City and Elliott and the originally approved Development Agreement is that the revised version makes technical modifications indicating Elliott as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities. The attached Revised Development Agreement will, therefore, not result in any additional direct physical change in the environment, or any additional reasonably foreseeable indirect physical change in the environment and will not require additional environmental analysis.

Section 4. Approval

The City Council hereby reapproves the Tier 1 Development Agreement between the City and Elliott Homes, Inc. (Attachment 1).

Section 5. Recordation

Within ten (10) days after the Development Agreement is executed by the City Manager, the City Clerk shall submit the Agreement to the County Recorder for recordation. The City Clerk will record the Revised Development Agreement instead of the Tier 1 Development Agreement

between the City and Elliott Homes, Inc. originally approved by the City Council on September 20, 2010.

Section 6. Severability

If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. This City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

1545661.3

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

TIER 1 DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF RANCHO CORDOVA

AND

ELLIOTT HOMES, INC.

RELATIVE TO THE RIO DEL ORO PROJECT

DEVELOPMENT AGREEMENT
RELATIVE TO RIO DEL ORO PROJECT

This Development Agreement is entered into as of this ___ day of _____ 2010, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), and Elliott Homes, Inc., an Arizona corporation ("Elliott"), pursuant to the authority of Government Code section 65864 et.seq. relating to Development Agreements. City and Elliott are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

A. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, California Government Code Section 65864, *et seq.* (the "Development Agreement Statute") and Rancho Cordova Municipal Code Chapter 23.158, which authorize City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

B. Definitions. All capitalized terms as used herein are defined in Section 3 of this Agreement.

C. Elliott Property. Elliott holds an option to acquire that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, attached hereto. Elliott represents that all persons holding legal or equitable interests in the property shall be bound by this Elliott Tier 1 Development Agreement, including the fee owners of the Elliott Property, Elliott Whiterock, LLC, and Stonecreek Industrial, LLC, who shall sign the consent to the Elliott's execution of this Elliott Tier 1 Development Agreement, attached hereto as Exhibit E, and agree to be bound to the terms and conditions hereof if Elliott fails to purchase the Elliott Property.

D. Concurrent Approval of Aerojet Tier 1 Development Agreement. Concurrent with the approval of this Elliott Tier 1 Development Agreement, a second Tier 1 development agreement with near identical terms is being processed and approved by and between the City of Rancho Cordova and Aerojet General Corporation for the remaining 2,312-acre portion of the Rio Del Oro Specific Plan Area.

E. Joint Planning of Rio Del Oro. Elliott, Aerojet General Corporation, the City, and other public agencies have jointly planned for the development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto. The Rio Del Oro Specific Plan, this Elliott Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Aerojet Tier 1 Development Agreement are the result of this joint effort.

F. Public Hearing. On August 5, 2010, the Planning Commission of City of Rancho Cordova, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867 and Rancho Cordova Municipal Code Chapter 23.158, considered this Elliott Tier 1 Development Agreement and recommended approval of this Agreement to the City Council.

G. Relationship of Tier 1 Entitlements to Tier 2 Entitlements and Subsequent Entitlements. This Elliott Tier 1 Development Agreement establishes certain initial, mutual

obligations relating to the development of the Property under the Tier 1 Entitlements. This Elliott Tier 1 Development Agreement also describes the requirements and standards for processing Tier 2 Entitlements and Subsequent Entitlements.

H. **Environmental Review**. In compliance with the National Environmental Policy Act and the California Environmental Quality Act, on September 7, 2010, by Resolution No. 92-2010, the City approved the Rio Del Oro Specific Plan Project EIS/EIR ("EIS/EIR"). Elliott agrees that the City may in its discretion determine that additional environmental review under CEQA, beyond that contained in the EIS/EIR, is required for future Tier 2 Entitlements and Subsequent Entitlements to implement the Project. Government Code section 65457 provides that any residential development project that is consistent with a specific plan for which an environmental impact report has been certified is generally exempt from further CEQA review; notwithstanding section 65457 or any successor or related state statute establishing exemptions from or restrictions on further CEQA environmental review, Elliott agrees that City may, in its sole discretion, require further CEQA review for any Tier 2 Entitlement or Subsequent Entitlement.

I. **Development Agreement Ordinance**. City and Elliott have taken all actions mandated by, and fulfilled all requirements set forth in Rancho Cordova Municipal Code Chapter 23.158, the Development Agreement Ordinance of the City of Rancho Cordova.

J. **Consistency with General and Specific Plan**. Having duly examined and considered this Elliott Tier 1 Development Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 16-2010, the City found that this Elliott Tier 1 Development Agreement satisfies the Government Code §65867.5 and this Agreement is consistent with the requirements of the General Plan and Specific Plan.

K. **Negotiations**. The Parties have, in good faith, negotiated terms set forth in this Elliott Tier 1 Development Agreement, which terms are intended to carry out the legislative purposes of the Development Agreement Statutes, and which provide for the mutually desirable development of the Elliott Property.

AGREEMENT

1. **Incorporation of Recitals**. The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Elliott Tier 1 Development Agreement as if set forth herein in full.

2. **Relationship of City and Elliott**. It is understood that this Elliott Tier 1 Development Agreement is a contract that has been negotiated and voluntarily entered into by City and Elliott and that neither Party is an agent of the other Party. City and Elliott hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Elliott joint venturers or partners.

3. **Definitions.**

"Aerojet" means Aerojet General Corporation, an Ohio corporation.

"Aerojet Property" means that certain 2,312-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in

Exhibit C-1 and Exhibit C-2, and attached hereto, which is subject to the Aerojet Tier 1 Development Agreement.

"Aerojet Tier 1 Development Agreement" means the Tier 1 Development Agreement, with near identical terms to this Elliott Tier 1 Development Agreement, which is being concurrently processed and approved by and between the City of Rancho Cordova and Aerojet for the Aerojet Property.

"Aerojet Tier 2 Development Agreement" means that development agreement which may be approved for the entire Aerojet Property pursuant to the process and terms set forth in the Aerojet Tier 1 Development Agreement.

"Affordable Housing Plan" means a plan prepared by Elliott or Aerojet General Corporation in compliance with the City of Rancho Cordova General Plan Housing Element, and in particular with Policy H.1.5 of thereof, for review and approval by the City, that identifies the plans of the Rio del Oro Project for providing affordable housing.

"City Council" means the City Council of the City of Rancho Cordova.

"Development Activity" means any development, construction and land use pursuant to or in furtherance of the Rio Del Oro Specific Plan, including without limitation ground disturbance, grading, land alteration, and construction of any improvements, including, but not limited to, structures, roadways, infrastructure, dwelling units, and non-residential buildings. Development Activity expressly does not include: (a) any development, construction or land use authorized by laws regulations, plans, policies or permits, of the City applicable to the Property that were in effect prior to the effective date of the Rio del Oro Specific Plan and the other Tier 1 Entitlements, including without limitation, Rio del Oro Mining Permit pertaining to Grantline West Mining Operation (Teichert) Permit affecting Assessor's Parcel No. 072--370-071, City of Rancho Cordova Resolution No. 81-2005, and (b) activities necessary to fill "waters of the United States," as defined by then applicable federal law and pursuant to a valid and unexpired Section 404 permit for the Property; and (c) any work of any nature that Aerojet or the Boeing Company may be required or authorized to conduct by local, state or federal regulatory agencies, in connection with the McDonnell Douglas Inactive Rancho Cordova Test Site (IRCTS), including, by way of example and not by way of limitation, orders, consent decrees, waste discharge requirements, monitoring/reporting program orders and any amendments thereto that have been issued or may in the future be issued by the California Department of Toxic Substance Control (DTSC), United States EPA, United States Fish and Wildlife Service, United States Army Corps of Engineers, and/or the Central Valley Regional Water Quality Control Board, pertaining to, arising out of or related to soil and groundwater remediation, endangered species mitigation, wetlands mitigation, or any other similar activity required or authorized by said local, state or federal regulatory agencies.

"Elliott Property" means that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, and attached hereto, which is subject to this Elliott Tier 1 Development Agreement.

"Elliott Project" means the planned development of the Elliott Property pursuant to the Tier 1 Entitlements.

"Elliott Tier 2 Development Agreement" means that development agreement which may be approved for the entire Elliott Property pursuant to the process and terms set forth in this Elliott Tier 1 Development Agreement, in particular section 6.2 hereto.

"Financing Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define: (a) the specific mechanisms that will be required to fund the capital costs of all infrastructure necessary as a result of build-out of the Specific Plan; (b) the funding mechanisms necessary to maintain new infrastructure and public services needed by the future residents and businesses in the Specific Plan Area; and (c) the funding and financing of the activities and actions described in the Affordable Housing Plan.

"Phasing Master Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define in detail the on-site and off-site facility requirements to develop each phase of the Specific Plan Area, including location of facilities, cost estimates, and construction timing requirements.

"Master Large Lot Map Conditions of Approval" means the set of conditions and requirements that will be placed on large lots maps for the Elliott Property and other property within the Rio Del Oro Specific Plan Area, and that, together with the Financing Plan, the Phasing Master Plan, and the Affordable Housing Plan will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area.

"Minor Revision" shall have that meaning set forth on page 8-4 of the Rio Del Oro Specific Plan approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Rio del Oro Project" means the planned development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto, pursuant to the Rio Del Oro Specific Plan, this Elliott Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Aerojet Tier 1 Development Agreement.

"Specific Plan" means the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan", approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Specific Plan Area" and "Rio Del Oro Specific Plan Area" mean the entire 3,832-area which is the subject of the "Rio Del Oro Specific Plan."

"Subsequent Entitlements" mean those additional permits, plans and approvals, that may be approved following approval of the Tier 2 Entitlements, and which will allow for implementation of the Tier 2 Entitlements by subdivision, development and construction within the Specific Plan Area. Subsequent Entitlements may include, without limitation, small lot tentative subdivision maps, small lot final subdivision maps, parcel maps for non-residential areas, lot line adjustments, conditional use permits, and design review permits.

"Substantially comply with" or "substantial compliance with" the "terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval" shall mean that developers in the Specific Plan Area (including any Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Map Conditions of Approval.

"Tier 1 Entitlements" mean (a) the City of Rancho Cordova General Plan in effect on the Effective Date of this Elliott Tier 1 Development Agreement; (b) the Rio Del Oro Specific Plan Project EIS/EIR, approved by the City on September 7, 2010 by Resolution No. 92-2010 (the Mitigation Measures in the EIR/EIS are incorporated into the Elliott Project and into the terms and conditions of this Agreement, unless the mitigation measures pertain solely to the Aerojet Property); (c) the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan" , approved by the City on September 20, 2010, by Ordinance No. 14-2010; (d) the Amendment to the Aerojet Special Planning Area (SPA), approved by the City on September 20, 2010 by Ordinance No 15-2010; and (e) this Elliott Tier 1 Development Agreement, approved by the City on September 20, 2010 by Ordinance No. 16-2010 (the "Adopting Ordinance").

"Tier 2 Entitlements" mean (a) the Financing Plan, (b) the Phasing Master Plan, (c) the Master Large Lot Tentative Map Conditions of Approval, (d) additional Mitigation Measures, beyond or different from those in the EIS/EIR, as provided in the additional environmental documentation required for the Tier 2 Entitlements, unless the mitigation measures pertain solely to the Aerojet Property, (e) the Affordable Housing Plan, and (f) and the amendments to Tier 1 Development Agreements or Tier 2 Development Agreements necessary to bind every landowner and all the property within the entire Specific Plan Area (which includes Elliott, Aerojet and their respective successors in interest) to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

4. Effective Date, Term and Termination.

4.1 Effective Date. The effective date of this Elliott Tier 1 Development Agreement ("Effective Date") is [redacted], 2010 which is the effective date of City Ordinance No. __-2010, adopting this Elliott Tier 1 Development Agreement.

4.2 Term. The term of this Elliott Tier 1 Development Agreement shall commence on the Effective Date and extend for a period of ten (10) years, unless said term is terminated, modified or extended by the terms of this Elliott Tier 1 Development Agreement. Following the expiration of the term, this Elliott Tier 1 Development Agreement shall be deemed terminated and of no further force and effect. If this Elliott Tier 1 Development Agreement expires, Elliott shall have no vested right under the Tier 1 Entitlements and the City shall have the right to modify or repeal the remaining Tier 1 Entitlements and apply new laws and regulations to the development of the Property, subject to then applicable notice and hearing requirements. However, while the Parties have no present agreement to extend the term of this Agreement, the Parties anticipate that negotiations will occur on the Elliott Tier 2 Development Agreement prior to the expiration of this Elliott Tier 1 Development Agreement. The Parties anticipate that the Elliott Tier 2 Development Agreement will (i) replace this Elliott Tier 1 Development Agreement or modify it and extend its term, and (ii) establish further vested rights

for the Property. If a Tier 2 Development Agreement has not been approved for the Elliott Property six (6) months prior to the expiration of the term of this Elliott Tier 1 Development Agreement, the City and Elliott shall meet to discuss the possibility of amending this Elliott Tier 1 Development Agreement to extend its term.

4.3 Tolling and Extension During Legal Challenge or Moratoria. In the event that this Elliott Tier 1 Development Agreement or any of the Tier 1 Entitlements or the EIR or any subsequent approvals or permits required to implement the Tier 1 Entitlements (such as any required wetlands fill permit or environmental document required under the National Environmental Protection Act ("NEPA") related thereto) are subjected to legal challenge by a third party, and Elliott is unable to proceed with the Project due to such litigation or Elliott gives written notice to City that it is electing not to proceed with the Project until such litigation is resolved to Elliott's satisfaction, the term of this Elliott Tier 1 Development Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Elliott, be extended and tolled for a maximum period of three (3) years during such litigation until the entry of final order of judgment upholding this Elliott Tier 1 Development Agreement and/or Tier 1 Entitlements, or the litigation is dismissed by stipulation of the parties; provided, however, that, notwithstanding the foregoing, Elliott shall have the right to elect, in Elliott's sole discretion, to proceed with the Elliott Project at any point by providing the City with written notice that it is electing to proceed with Elliott Project, in which event the tolling of the term of this Elliott Tier 1 Development Agreement shall cease as of the date of such notice.

5. Vested Rights. Elliott shall have the vested right to proceed with development of the Elliott Property in accordance with the Tier 1 Entitlements, and to have the Tier 2 Entitlements and Subsequent Entitlements considered for approval or denial, based upon the standards and requirements set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan.

5.1 Permitted Uses, Density and Intensity, Maximum Height and Size of Structures, and Reservation or Dedication of Land. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, shall be those set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan. City acknowledges that the Rio Del Oro Specific Plan includes the land uses and approximate acreages for the Project as shown and described on page 3-7 of the Specific Plan.

5.2 Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Elliott and City intend that, except as otherwise provided in or limited by Section 5.3 or other provisions of this Agreement, this Elliott Tier 1 Development Agreement shall vest the Tier 1 Development Entitlements against subsequent City resolutions, ordinances and initiatives that directly or indirectly limit the rate, timing, sequencing of development, or prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Tier 1 Development Entitlements; provided however, Elliott shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, City-wide or area-wide basis, and directly concerns an imminent public health or safety issue, in which case City shall treat Elliott in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by that public health or safety issue.

5.3 Vested Rights Exclude and Do Not Authorize Development Activity. Neither the vested rights conferred by this Section 5 (including 5.1 and 5.2) nor any other provision of this Elliott Tier 1 Development Agreement nor of the Tier 1 Entitlements grant Elliott a vested right to engage in Development Activity on the Elliott Property. Development Activity shall occur on the Elliott Property only following approval of Tier 2 Entitlements as further provided in Section 7 hereto. This Elliott Tier 1 Development Agreement does not guarantee approval of the Tier 2 Entitlements or Subsequent Entitlements.

6. Processing of Tier 2 Entitlements and Subsequent Entitlements.

6.1. Intent of Tiered Entitlement Approval Process. The primary intent of the tiered entitlement approval process set forth in this Elliott Tier 1 Development Agreement, and in particular in this Section 6, is to ensure, to the City's satisfaction, that the provisions of the Specific Plan, the Financing Plan and the Phasing Master Plan are uniformly applied in the entire Specific Plan Area in both the Elliott Property and the Aerojet Property.

6.2 Timing of Application for Tier 2 Development Agreement for Elliott Property. Prior to any Development Activity on the Property, Elliott shall apply to City to request approval of the Elliott Tier 2 Development Agreement, which shall cover the entire Elliott Property. Elliott shall have the right to apply for the Elliott Tier 2 Development Agreement at any time during the term of this Elliott Tier 1 Development Agreement. The Elliott Tier 2 Development Agreement and the Aerojet Tier 2 Development Agreement shall not be required to be simultaneously processed by the City.

6.3 Processing of Tier 2 Development Agreement for Elliott Property, Requirement of Rio Del Oro Phasing Master Plan and Rio Del Oro Master Large Lot Map. If Elliott requests approval of the Elliott Tier 2 Development Agreement before Aerojet requests approval of the Aerojet Tier 2 Development Agreement, Elliott shall be responsible for working with the City to prepare the Financing Plan, the Phasing Master Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. The Elliott Tier 2 Development Agreement shall be approved at the same time as, but not before, the City approves the Financing Plan, Phasing Master Plan and Affordable Housing Plan for the entire Specific Plan Area, and a large lot tentative map for the Elliott Property which map includes the Master Conditions of Approval to implement the Specific Plan, the Financing Plan, Phasing Master Plan and Affordable Housing Plan.

If Aerojet requests approval of the Aerojet Tier 2 Development Agreement before Elliott requests approval of the Elliott Tier 2 Development Agreement, Aerojet shall be responsible for working with the City to prepare a single Financing Plan, a single Phasing Master Plan, a single Affordable Housing Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. Thereafter, when Elliott requests approval of the Elliott Tier 2 Development Agreement, City shall have the discretion to deny approval of the Elliott Tier 2 Development Agreement and any other Tier 2 entitlements for any portion of the Elliott Property unless Elliott agrees to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Tentative Map Conditions of Approval as previously adopted with the Aerojet Tier 2 Development Agreement

by either (a) amending this Elliott Tier 1 Development Agreement or (b) agreeing to such terms and entering into the Elliott Tier 2 Development Agreement.

As provided in Section 5 of this Elliott Tier 1 Development Agreement, the City shall consider approval or denial, of the Elliott Tier 2 Development Agreement, the other Tier 2 Entitlements and the Subsequent Approvals based upon the standards and requirements in the Tier 1 Entitlements.

7. **No Development Activity Until Tier 2 Approved**. Notwithstanding the vested rights granted by this Elliott Tier 1 Development Agreement and consistent with the limitation on Elliott's rights in Section 5.3 of this Agreement, the City shall have the full, unrestrained and sole discretion to deny any and all Development Activity on any property in the Specific Plan Area unless and until every landowner in the entire Specific Plan Area (which includes Elliott, Aerojet and their respective successors in interest) has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval as adopted by the City by either (a) amending its Tier 1 Development Agreement or (b) agreeing to such terms and entering into a Tier 2 Development Agreement.

8. **Amendment or Cancellation**.

8.1 **Modification Because of Conflict with State or Federal Laws**. In the event that State or Federal laws or regulations enacted after the Effective Date of this Elliott Tier 1 Agreement prevent or preclude compliance with one or more provisions of this Agreement or any Tier 1 Entitlements, the Parties shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Elliott Tier 1 Agreement and such Tier 1 Entitlements to comply with such Federal or State law or regulation. Any such amendment or suspension of this Elliott Tier 1 Agreement or Tier 1 Entitlements shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

8.2 **Amendment by Mutual Consent**. This Elliott Tier 1 Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State law and Municipal Code. Any amendment of the Tier 1 Entitlements that does not constitute a Minor Revision shall require amendment of this Elliott Tier 1 Agreement.

8.3 **Cancellation by Mutual Consent**. Except as otherwise permitted herein, this Elliott Tier 1 Agreement may be canceled in whole or in part only by the mutual consent of the Parties or their successors in interest, in accordance with Municipal Code. Any fees paid pursuant to this Agreement and spent by the City prior to the date of cancellation shall be retained by City.

9. **Annual Review**.

9.1 **Annual Review**. The City shall annually monitor and review Elliott's good faith compliance with the terms of this Elliott Tier 1 Agreement and the Initial Entitlements.

9.2 **Monitoring**. The City has the responsibility and discretion to monitor the continuing compliance of Elliott with the terms of this Elliott Tier 1 Agreement and the Tier 1 Entitlements by updating decision makers, conducting field inspections, implementing and interpreting requirements, monitoring any litigation relating to the Property, and taking such

other actions as the City may deem appropriate. As a result of the limited scope of the Tier 1 Entitlements, the Parties anticipate that, the focus of the Annual Review will generally, in the discretion of the City, be on whether or not any Development Activity is occurring.

9.3 Annual Review Date. The annual review shall occur each year during the term of this Elliott Tier 1 Agreement on or about the anniversary date of the Effective Date.

9.4 Initiation of Review. The City's Planning Director shall initiate the annual review by giving to Elliott written notice that the City intends to undertake such review, including an estimate of the total costs the City expects to incur in connection with the review. Within thirty (30) days of City's notice, Elliott shall provide evidence to the Planning Director to demonstrate good faith compliance with this Elliott Tier 1 Development Agreement. The burden of proof, by substantial evidence of compliance, is upon Elliott. The City's failure to timely initiate the annual review is not deemed to be a waiver of the right to conduct review at a later date or otherwise enforce the provisions of this Elliott Tier 1 Agreement. Elliott is not deemed to be in compliance with the Agreement by virtue of such failure to timely initiate review.

9.5 Staff Reports. City shall deposit in the mail to Elliott a copy of all staff reports, and related exhibits, concerning contract performance at least twenty (20) days prior to any annual review. City shall also, to the extent practicable, make reasonable efforts to provide simultaneous notice by e-mail or other then available means of electronic technology.

9.6 Costs. Costs reasonably and directly incurred by the City in connection with the annual review and monitoring shall be paid by Elliott in accordance with the City's schedule of fees and billing rates in effect at the time of review. The City may require Elliott to provide deposits for the City's estimated costs in connection with the City's annual review and monitoring in the year following the current compliance review. The costs that Elliott may be required to pay shall not be limited to the amount in the Planning Director's estimate.

9.7 Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Elliott has not complied in good faith with the terms and conditions of the Elliott Tier 1 Agreement during the period under review, the City Council, upon receipt of any report or recommendation from the Planning Commission, may initiate proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted, in accordance with the procedures of State law. As part of that final determination, the City Council may impose conditions on the Elliott Project that it considers necessary and appropriate to protect the interest of the City. Elliott may, at the same hearing, raise any and all issues of non-compliance by the City with the terms of this Elliott Tier 1 Development Agreement, and the City Council shall review and make findings concerning the compliance of all Parties to the Agreement.

9.8 Appeal of Determination. The decision of the City Council as to Elliott's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Council shall be commenced within thirty (30) days.

10. Default and Opportunity to Cure. Subject to any applicable extension of time agreed to by the Parties in writing, failure by any party to perform any term or provision of this Elliott Tier 1 Agreement required to be performed by such Party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is

in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." Except as provided in Section 10, a Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 20, and the Party in Default fails to cure such Event of Default within the applicable cure period.

10.1 Procedure Regarding Defaults.

10.1.1 Notice of Default. If an Event of Default occurs, prior to exercising any remedies except as provided in Section 10, the Complaining Party shall give the Party in Default written notice of such default. Where the City provides notice of an Event of Default by Elliott, the City shall not be obligated to issue any permit or approve any entitlement for which an application has been filed until the Default is cured pursuant to the procedures in this Section 10.

10.1.2 Cure. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot, practicably be cured within such thirty (30) day period, the cure shall be deemed to have occurred within such thirty (30) day period if: (a) the cure is commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the Party in Default receipt of the notice), the Party in Default provides written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given. If the Event of Default is discovered or determined in the course of the Annual Compliance Review, in addition to other remedies and potential cures, the City shall have the statutory authority pursuant to Government Code section 65865.1 to decide to terminate or modify the Elliott Tier 1 Agreement following the opportunity to cure as provided in this Section 10.1.2.

10.1.3 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

10.1.4 Legal Proceedings. If the Party in Default fails to cure a default in accordance with the provisions of Section 10.1.2, the Complaining Party, at its option, may institute legal proceedings pursuant to this Elliott Tier 1 Agreement or terminate this Elliott Tier 1 Development Agreement. Upon the occurrence of an Event of Default, the Parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or the City's regulations governing development agreements, expressly including the remedy of specific performance of this Elliott Tier 1 Agreement. In no event, except as provided in Sections 14, 17 and 18 of this Agreement shall either Party be liable to the other Party for any monetary damage for claims arising out of this Agreement and both Parties hereby expressly waive any such monetary damages City. Notwithstanding the foregoing, the City may immediately institute any legal proceedings relating to this Elliott Tier 1 Development Agreement

without the notice and opportunity to cure required in the case of an emergency or immediate danger to public health, safety or welfare.

11. Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party certify in writing that, to the knowledge of the certifying party, (i) this Elliott Tier 1 Agreement is in full force and effect and a binding obligation of the parties, (ii) this Elliott Tier 1 Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Elliott Tier 1 Agreement, or if in default, describing therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each Party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by City establishing the status of this Elliott Tier 1 Development Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording Party.

12. Severability. Except as set forth herein, if any term, covenant or condition of this Elliott Tier 1 Development Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Elliott Tier 1 Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Elliott Tier 1 Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Elliott Tier 1 Agreement from and after such determination.

13. Applicable Law. This Elliott Tier 1 Agreement shall be construed and enforced in accordance with the laws of the State of California.

14. Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement. Should any legal action be brought by either party for breach of this Elliott Tier 1 Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

15. Agreement Runs with the Land. Except as otherwise provided for in this Elliott Tier 1 Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Elliott Tier 1 Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Elliott Tier 1 Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property: (1) is for the benefit of such properties and is a burden upon such properties; (2) runs with such properties; and (3) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a

benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

16. Bankruptcy. The obligations of this Elliott Tier 1 Agreement shall not be dischargeable in bankruptcy.

17. Indemnification From Construction, Improvement, Operation and Maintenance Claims. Elliott agrees to indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by Elliott, or any actions or inactions of Elliott's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, provided, however, that Elliott shall have no indemnification obligation with respect to the gross negligence or willful misconduct of City, or its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives with respect to the maintenance, use or condition of any improvement after the time it has been dedicated to and accepted by City or another public entity (except as provided in an improvement agreement or maintenance bond). The provisions of this Section 17 shall survive the termination of this Elliott Tier 1 Agreement.

18. Cooperation and Elliott Indemnification of City in Event of Legal Challenge to Agreement or Initial Entitlements. In the event of any legal or equitable action or other proceeding instituted by a third party or other governmental entity or official challenging the validity of any provisions of this Elliott Tier 1 Agreement or the Tier 1 Entitlements or seeking to overturn or invalidate any approval granted pursuant to this Elliott Tier 1 Agreement, the Parties hereby agree to cooperate in defending said action or proceeding; provided, however, that Elliott shall be solely responsible for costs incurred for such defense. In any such legal or equitable action or proceeding, Elliott shall indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability. Neither Elliott nor the City shall settle any action or proceeding on grounds that include non-monetary relief or admissions of liability without written consent of the other Party. The provisions of this Section 18 shall survive the termination of this Elliott Tier 1 Agreement.

19. Third Party Beneficiaries. This Elliott Tier 1 Agreement is made and entered into for the sole protection and benefit of Elliott and, City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

20. Notices. All notices required by this Elliott Tier 1 Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to City shall be addressed as follows:

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Notice required to be given to Elliott shall be addressed as follows:

ELLIOTT HOMES
Harry C. Elliott, III
80 Iron Point Circle, Suite 110
Folsom, CA 95630

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

21. Assignment and Release. Elliott shall have the full right to assign this Elliott Tier 1 Development Agreement in connection with any sale, transfer or conveyance of all or any portion of the Property, subject to the limitations and terms in this Section 21. Upon the express written assignment by Elliott, and assumption by the assignee of such assignment in the form attached hereto as Exhibit D, Elliott shall be released from further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Elliott," with all rights and obligations related thereto, with respect to such conveyed property (the "Assigned Property").

21.1 Effect of Partial Assignments on Tier 2 Development Agreement and Application for Subsequent Entitlements. In the event of a sale, transfer or conveyance of only a portion of the Property prior to approval of the Tier 2 Development Agreement or the Subsequent Entitlements, the assignee of a partial assignment ("Partial Assignee") shall have no right to conduct Development Activity on the Elliott Property. The City shall have the discretion to deny approval of any Tier 2 Entitlements for any portion of the Specific Plan area until every Elliott and Partial Assignee has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval by either (1) amending its Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Landowers (including any Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval.

22. Priority of Enactment. In the event of conflict between this Elliott Tier 1 Development Agreement and the Tier 1 Entitlements, the Parties agree that the following sequence of approvals establishes the relative priority of approvals, each approval superior to the approvals listed thereafter: (1) the Elliott Tier 1 Development Agreement and (2) the Tier 1 Entitlements.

23. Form of Agreement; Recordation; Exhibits. Except when this Elliott Tier 1 Agreement is automatically terminated due to the expiration of the Term of this Agreement , City shall cause this Agreement, any amendment hereto and any termination of any parts or provisions hereof, to be recorded with the County Recorder within ten (10) days of the effective date thereof. Any amendment or termination of this Elliott Tier 1 Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 14 pages and 6 exhibits, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Elliott Tier 1 Development Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. ___-2010 adopted by the Council of the City on the ___ day of _____ 2010, and Elliott has caused this Agreement to be executed.

"CITY"

CITY OF RANCHO CORDOVA,
a municipal corporation

By: _____

Name: _____

Its: _____

Date: _____

"ELLIOTT"

ELLIOTT HOMES, INC
an Arizona corporation

By: _____

Name: _____

Its: _____

Date: _____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
Adam U. Lindgren
City Attorney
Date: _____

EXHIBIT LIST

Exhibit A-1:	Legal Description of the Elliott Property
Exhibit A-2:	Diagram of the Elliott Property
Exhibit B:	Rio Del Oro Specific Plan area (Rio Del Oro Project)
Exhibit C-1:	Legal Description of the Aerojet Property
Exhibit C-2:	Diagram of the Aerojet Property
Exhibit D:	Form of Assignment
Exhibit E:	Consent to Elliott Execution of Agreement

EXHIBIT A-1

Legal Description of the Elliott Homes Property

PARCEL 1:

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being more particularly described as follows:

Beginning at the Northwest corner of said Parcel 15; thence from said point of beginning along the Westerly line of said Parcel the following five (5) courses: (1) South 07°44'05" West 30.44 feet, (2) South 06°36'05" East 3603.85 feet, (3) South 08°08'17" East 2073.42 feet, (4) South 08°47'03" East 2197.91 feet, and (5) South 08°48'24" East 419.75 feet to a point on the Westerly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said right-of-way line South 39°18'38" East 4093.39 feet; thence South 89°10'03" East 990.37 feet; thence South 89°06'40" East 933.19 feet; thence North 00°53'20" East 2290.81 feet to a point on an existing fence line; thence along said fence line, the following fourteen (14) courses and distances: (1) North 89°32'35" West 367.46 feet, (2) North 89°24'25" West 402.97 feet; (3) North 00°30'05" East 722.15 feet, (4) North 00°34'11" East 608.94 feet, (5) North 87°30'22" West 39.63 feet, (6) North 00°50'49" East 225.19 feet, (7) North 71°12'32" West 459.31 feet, (8) North 18°32'48" East 299.22 feet, (9) North 18°43'33" East 581.68 feet, (10) North 18°52'10" East 260.18 feet, (11) North 87°29'23" East 30.58 feet, (12) North 86°35'54" East 79.74 feet, (13) North 87°23'08" East 104.15 feet, and (14) South 71°22'21" East 494.50 feet,; thence North 00°53'20" East 4230.53; thence North 90°00'00" West 1078.83 feet; thence

North 04°03'36" West 192.34 feet; thence North 15°38'51" West 253.09 feet; thence North 10°48'50"West497.39 feet; thence North 06°52'34" West 292.93 feet; thence North 05°51'41" West 169.64 feet; thence North 00°52;23" West 152.03 feet; thence North 72°06'34" East 146.02 feet; thence North 74°39'41" East 462.88 feet; thence North 85°19'48" East 66.67 feet; thence North11°27'56" East 102.96 feet; thence North 03°39'36" West 197.73 feet; thence North 02°17'57" East 318.01 feet; thence North 01°15'08" East 494.52 feet; thence South 84°44'15" West 1242.18 feet; thence curving to the right on an arc having a radius of 3000.00 feet, said arc being subtended by a chord bearing South 88°53'53" West 435.31 feet; thence North 86°56'29" West 389.84 feet; thence curving to the left on an arc having a radius of 1500.00 feet, said arc being subtended by a chord bearing south 87°03'12" West 313.85 feet, thence South 81°02'54" West 2579.08 feet to the point of beginning.

EXCEPTING THEREFROM as a mineral interest, and not as a royalty interest, all of the minerals of every kind in, under, or that may be produced from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting as a mineral interest, and not as a royalty interest, all oil, gas, hydrocarbons, and associated substances in, under, or produced and saved from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting all water and rights, including, but not limited to, all rights of access, to water lying below the surface of the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; provided, however, that Grantor, and its successors and assigns, shall not have the right for any purpose whatsoever to enter upon, into, or through the surface of the Real Property, or within one hundred (100) feet below, as measured vertically from, the surface of the Real Property.

PARCEL 2:

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Beginning at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Beginning, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, South 89°56'25" West, a distance of 367.46 feet along said common line;

Thence, North 89°55'25" West, a distance of 402.97 feet along said common line;

Thence, North 00°00'55" West, a distance of 722.15 feet along said common line;

Thence, North 00°03'11" East, a distance of 608.94 feet along said common line;

Thence, North 88°01'22" West, a distance of 39.63 feet along said common line;

Thence, North 00°19'49" East, a distance of 225.19 feet along said common line;

Thence, North 71°43'32" West, a distance of 459.31 feet along said common line;

Thence, North 18°01'48" East, a distance of 299.22 feet along said common line;

Thence, North 18°12'33" East, a distance of 581.68 feet along said common line;

Thence, North 18°21'10" East, a distance of 260.18 feet along said common line;

Thence, North 86°58'23" East, a distance of 30.58 feet along said common line;

Thence, North 86°04'54" East, a distance of 79.74 feet along said common line;

Thence, North 86°52'08" East, a distance of 104.15 feet along said common line;

Thence, South 71°53'21" East, a distance of 494.50 feet along said common line;

Thence, North 00°22'20" East, a distance of 1401.37 feet along said common line;

Thence, South 51°45'32" East, a distance of 723.29 feet;

Thence, North 27°42'33" East, a distance of 850.47 feet;

Thence, North 38°10'20" East, a distance of 125.00 feet;

Thence, South 51°49'40" East, a distance of 453.85 feet;

Thence, on the arc of a curve to the right a distance of 498.28 feet, said curve has a central angle of 25°22'37" and a radius of 1125.00 feet;

Thence, on the arc of a curve to the left a distance of 784.77 feet, said curve has a central angle of 46°07'00" and a radius of 975.00 feet;

Thence, South 72°34'03" East, a distance of 651.82 feet;

Thence, South 17°25'57" West, a distance of 25.00 feet;

Thence, South 72°34'03" East, a distance of 856.47 feet;

Thence, South 17°25'57" West, a distance of 1542.41 feet to the arc of a non-tangent curve having a radial bearing of South 42°47'17" West;

Thence, on the arc of said non-tangent curve to the right a distance of 665.31 feet, said curve has a central angle of 19°03'35" and a radius of 2000.00 feet;

Thence, South 28°09'08" East, a distance of 236.87 feet;

Thence, North 79°02'16" West, a distance of 274.71 feet;

Thence, on the arc of a curve to the left a distance of 1060.28 feet, said curve has a central angle of 108°28'52" and a radius of 560.00 feet;

Thence, on the arc of a curve to the right a distance of 555.35 feet, said curve has a central angle of 58°55'26" and a radius of 540.00 feet;

Thence, on the arc of a curve to the left a distance of 550.67 feet, said curve has a central angle of 50°28'53" and a radius of 625.00 feet;

Thence, South 89°31'57" West, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South 89°24'23" West;

Thence, on the arc of said non-tangent curve to the right a distance of 135.81 feet, said curve has a central angle of 47°26'53" and a radius of 164.00 feet;

Thence, on the arc of a curve to right a distance of 269.45 feet, said curve has a central angle of 27°49'00" and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 567.31 feet, said curve has a central angle of 08°53'18" and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 614.63 feet, said curve has a central angle of 66°04'15" and a radius of 533.00 feet;

Thence, South 00°17'18" East, a distance of 423.57 feet to the south line of said Parcel 15;

Thence, North 89°37'40" West, a distance of 418.60 feet along said south line to the Point of Beginning.

Containing 401.202 Acres gross, more or less.

Excepting therefrom the following described parcels of land:

Exception A

All that property described as "Beta Area Well Site 'B'-806" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 1075.90 feet along the common line between said properties;

Thence, South 89°37'45" East, a distance of 120.05 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 00°02'10" West, a distance of 79.89 feet;

Thence, South 89°58'18" East, a distance of 78.00 feet;

Thence, South 00°00'36" West, a distance of 79.95 feet;

Thence, North 89°55'38" West, a distance of 77.93 feet to the Point of Beginning.

Containing 0.143 Acres, more or less.

Exception B

All that property described as "Tank Site No. 804" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, North 18°24'30" West, a distance of 263.84 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 18°10'05" East, a distance of 276.73 feet;

Thence, South 71°48'29" East, a distance of 146.44 feet;

Thence, South 18°10'43" West, a distance of 276.46 feet;

Thence, North 71°55'01" West, a distance of 146.39 feet to the Point of Beginning.

Containing 0.930 Acres, more or less.

Exception C

All that property described as "Beta Area Well Site 'A'-805" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between

Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, North 26°40'21" East, a distance of 268.14 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 00°02'08" East, a distance of 79.98 feet;

Thence, North 89°57'06" East, a distance of 70.00 feet;

Thence, South 00°00'09" East, a distance of 80.01 feet;

Thence, South 89°58'15" West, a distance of 70.05 feet to the Point of Beginning.

Containing 0.129 Acres, more or less.

End of Legal Description

EXHIBIT A-2

Diagram of the Elliott Homes Property

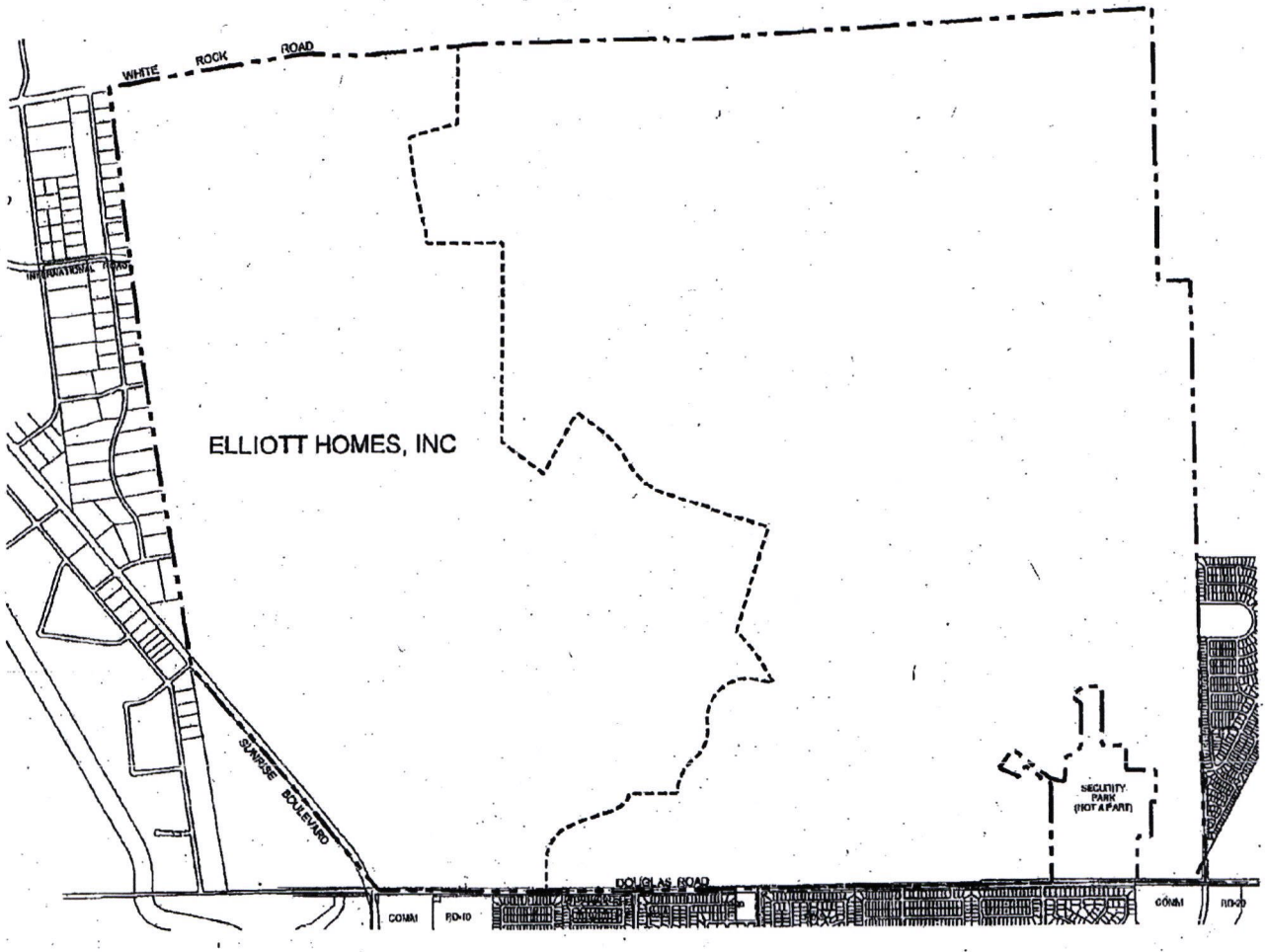


EXHIBIT B

RIO DEL ORO SPECIFIC PLAN AREA

LAND USE SUMMARY

LAND USE	ACRES	DENSITY RANGE	FIXED COUNT	UNITS	UNIT %	% OF RESIDENTIAL ACRES
SF	1,318.5	2.1 - 6.0	6 DU/AC	7,920	69%	84.8%
SFA	239	6.1 - 12.0	9 DU/AC	2,088	18%	13.5%
MF	98	12.1 - 40.0	29 DU/AC	1,593	13%	1.7%
VC	20					
LTC	21					
RTC	113					
BP	96					
GI	261					
ROW	7.5					
FS	-					
AP3	-					
CM	-					
ES/MS	74					
MS	28					
ES	31					
CP	40					
NP	97.2					
SD/D	34					
WP	315					
DP	139					
PR	54					
OS	22					
OS/PR	12					
LC	66					
OS	91					
	102					
TOTALS:	2,924.5			11,601	100%	

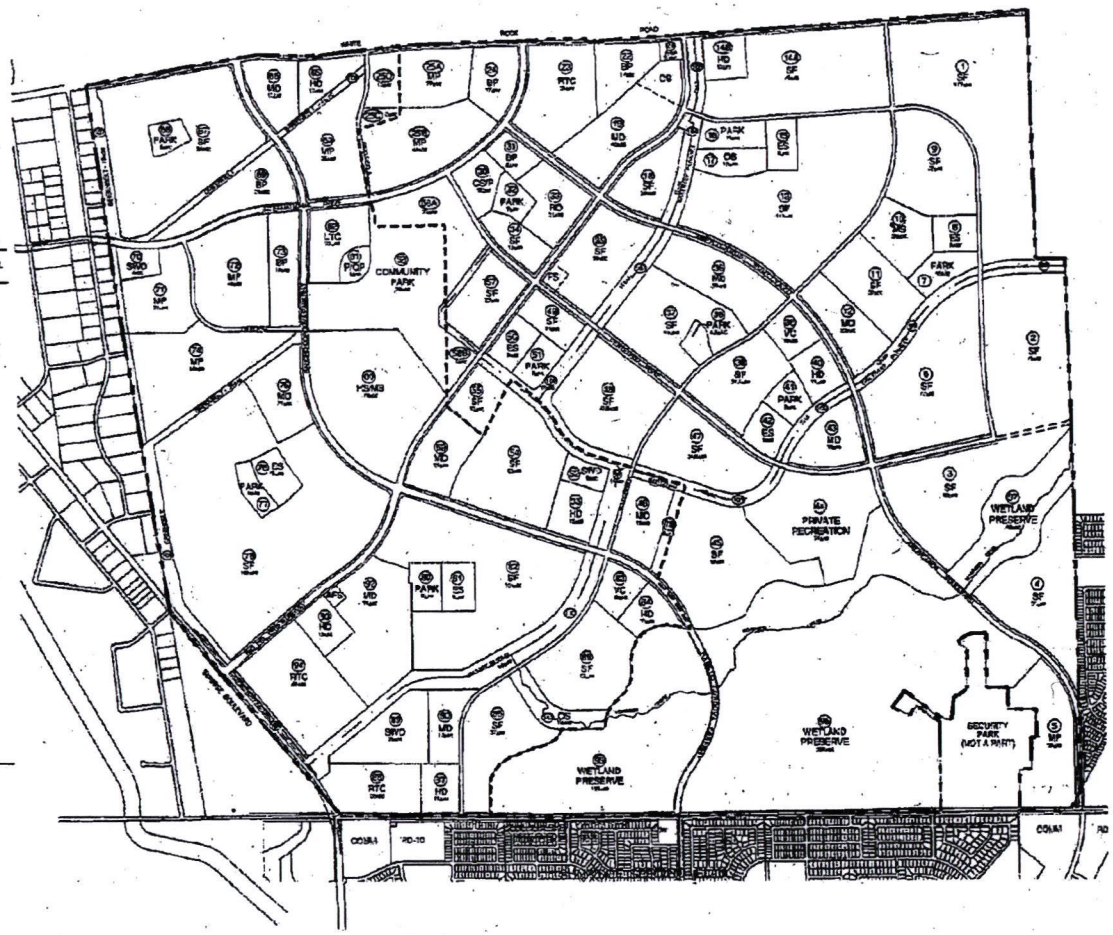


EXHIBIT C-1

Legal Description of the Aerojet Property

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 and Parcel 23 as shown in Book 55 of Parcel Maps at Page 30 as shown in book 20080325, at Page 1226, all in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, South 89°37'40" East, a distance of 418.60 feet to the Point of Beginning;

Thence from the Point of Beginning, North 00°17'18" West, a distance of 423.57 feet;

Thence, on the arc of a curve to the right a distance of 614.63 feet, said curve has a central angle of 66°04'15" and a radius of 533.00 feet;

Thence, on the arc of a curve to the right a distance of 567.31 feet, said curve has a central angle of 08°53'18" and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 269.45 feet, said curve has a central angle of 27°49'00" and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 135.81 feet, said curve has a central angle of 47°26'53" and a radius of 164.00 feet;

Thence, North 89°31'57" East, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South 89°04'35" East;

Thence, on the arc of said non-tangent curve to the right a distance of 550.67 feet, said curve has a central angle of 50°28'53" and a radius of 625.00 feet;

Thence, on the arc of a curve to the left a distance of 555.35 feet, said curve has a central angle of 58°55'26" and a radius of 540.00 feet;

Thence, on the arc of a curve to the right a distance of 1060.28 feet; said curve has a central angle of 108°28'52" and a radius of 560.00 feet;

Thence, South 79°02'16" East, a distance of 274.71 feet;

Thence, North 28°09'08" West, a distance of 236.87 feet;

Thence, on the arc of a curve to the left a distance of 665.31 feet, said curve has a central angle of 19°03'35" and a radius of 2000.00 feet;

Thence, North 17°25'57" East, a distance of 1542.41 feet;

Thence, North 72°34'03" West, a distance of 856.47 feet;

Thence, North 17°25'57" East, a distance of 25.00 feet;

Thence, North 72°34'03" West, a distance of 651.82 feet;

Thence, on the arc of a curve to the right a distance of 784.77 feet, said curve has a central angle of 46°07'00" and a radius of 975.00 feet;

Thence, on the arc of a curve to the left a distance of 498.28 feet, said curve has a central angle of 25°22'37" and a radius of 1125.00 feet;

Thence, North 51°49'40" West, a distance of 453.85 feet;

Thence, South 38°10'20" West, a distance of 125.00 feet;

Thence, South 27°42'33" West, a distance of 850.47 feet;

Thence, North 51°45'32" West, a distance of 723.29 feet to the common line between Lot A and Lot B of said Lot Line Adjustment;

Thence, North 00°22'20" East, a distance of 2829.16 feet along said common line;

Thence, South 89°29'00" West, a distance of 1078.83 feet along said common line;

Thence, North 04°34'36" West, a distance of 192.34 feet along said common line;

Thence, North 16°09'51" West, a distance of 253.09 feet along said common line;

Thence, North 11°19'50" West, a distance of 479.39 feet along said common line;

Thence, North 07°23'34" West, a distance of 292.93 feet along said common line;

Thence, North 06°22'41" West, a distance of 169.64 feet along said common line;

Thence, North 01°23'23" West, a distance of 152.03 feet along said common line;

Thence, North 71°35'34" East, a distance of 146.02 feet along said common line;

Thence, North 74°08'41" East, a distance of 462.88 feet along said common line;

Thence, North 84°48'48" East, a distance of 66.67 feet along said common line;

Thence, North 10°56'56" East, a distance of 102.96 feet along said common line;

Thence, North 04°10'36" West, a distance of 197.73 feet along said common line;

Thence, North 01°46'57" East, a distance of 318.01 feet along said common line;

Thence, North 00°44'08" East, a distance of 496.43 feet along said common line to the north line of said Parcel 15;

Thence, North 84°12'46" East, a distance of 56.52 feet along said north line to the arc of a non-tangent curve having a radial bearing of South 05°46'55" East;

Thence, on the arc of said non-tangent curve to the right a distance of 404.13 feet along said north line, said non-tangent curve has a central angle of 04°37'52" and a radius of 5000.00 feet;

Thence, North 88°50'57" East, a distance of 2409.24 feet along said north line to the arc of a non-tangent curve having a radial bearing of North 01°08'48" West;

Thence, on the arc of said non-tangent curve to the left a distance of 62.58 feet along said north line, said non-tangent curve has a central angle of 01°11'43" and a radius of 3000.00 feet;

Thence, South 00°58'24" East, a distance of 40.54 feet along said north line;

Thence, North 86°31'01" East, a distance of 6897.56 feet to the northeast corner of said Parcel 15;

Thence, South 00°57'26" East, a distance of 3869.39 feet along said east line;

Thence, North 89°05'46" East, a distance of 466.94 feet along said east line;

Thence, South 00°56'26" East, a distance of 5357.51 feet along said east line;

Thence, South 89°02'10" West, a distance of 3214.24 feet along said east line;

Thence, South 00°58'22" East, a distance of 860.88 feet along said east line to the most northerly corner of Parcel 23 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, South 51°47'34" East, a distance of 610.84 feet along the northeast line of said Parcel 23;

Thence, South 38°12'24" West, a distance of 298.46 feet along the southeast line of said Parcel 23;

Thence, South 89°01'38" West, a distance of 284.95 feet along the south line of said Parcel 23 to the east line of said Parcel 15;

Thence, South 00°58'22" East, a distance of 1635.90 feet along said east line to the south east corner of said Parcel 15;

Thence, South 89°23'14" West, a distance of 3090.85 feet along the south line of said Parcel 15;

Thence, South 89°37'42" West, a distance of 1947.08 feet along aid south line;

Thence, North 89°37'40" West, a distance of 1009.49 feet along said south line to the Point of Beginning.

Containing 2150.616 Acres, more or less.

Together with the following described Parcels of land:

Parcels 18 through 20, Area "B", Parcels 24 through 31, Parcels 35 through 37, filed in Book 55 of Parcel Maps, at Page 30 and New Parcel Eighteen filed in Book 20080221, at Page 0781, both Official Records Sacramento County

See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

Excepting therefrom the following described parcels of land:

Exception D

All that property described as "Alpha Area Tank Site No. 803" recorded in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the northwest corner of Parcel 26 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 31°28'35".West, a distance of 1296.42 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 11°48'07" West, a distance of 82.96 feet;

Thence, North 78°12'53" East, a distance of 69.57 feet;

Thence, South 11°46'01" East, a distance of 82.97 feet;

Thence, South 78°13'32" West, a distance of 69.52 feet to the Point of Beginning.

Containing 0.132 Acres, more or less.

Exception E

All that property described in a Grant Deed recorded in Book 801215 at Page 499 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the west end of a line described as (N. 89°36'00" E. 467.64) which is on the east line of said Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 of the Official Records of Sacramento County, thence, North 62°26'47" West a distance of 2547.29 feet;

Thence, North 89°53'58" West, a distance of 200.00 feet;

Thence, North 00°05'32" East, a distance of 200.00 feet;

Thence, South 89°54'15" East, a distance of 199.92 feet;

Thence, South 00°04'05" West, a distance of 200.02 feet to the Point of Beginning.

Containing 0.918 Acres, more or less.

See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

End of Description

Description prepared by:
MACKAY & SOMPS CIVIL ENGINEERS, INC.
1552 Eureka Road, Suite 100, Roseville, CA 95661

David W Kopp, PLS 4533
License Expiration Date: 12-31-10

Date: 8/17/2010



EXHIBIT C-2

Diagram of the Aerojet Property

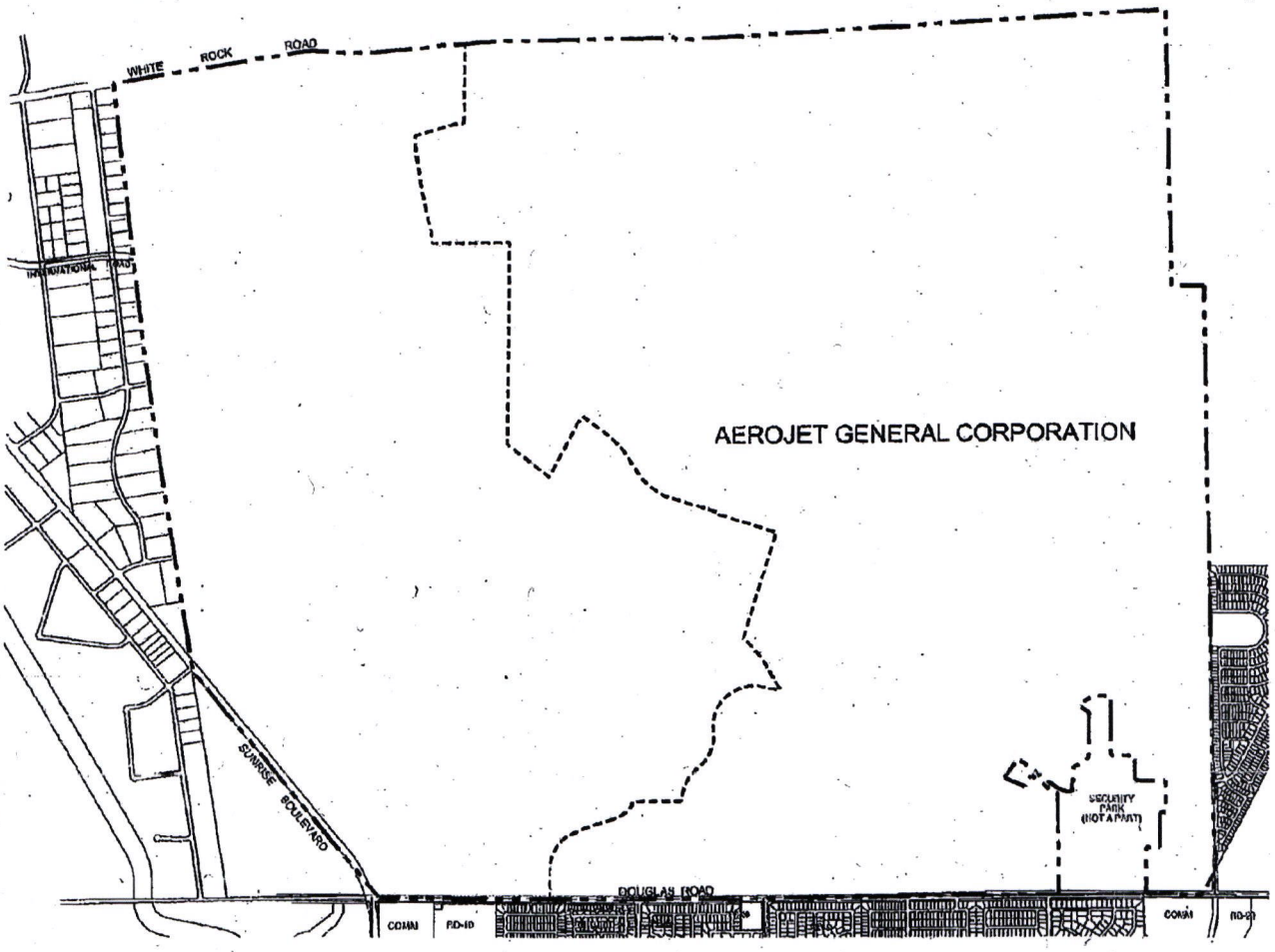


EXHIBIT D

FORM OF ASSIGNMENT

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova

(SPACE ABOVE THIS LINE RESERVED
FOR RECORDER'S USE)

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO _____

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this _____ day of _____, 2010, by and between Elliott Homes, Inc, an Arizona corporation (hereinafter "Elliott"), and _____, a _____ (hereinafter "Assignee").

RECITALS

On September 21, 2010, the City of Rancho Cordova and Elliott entered into that certain agreement entitled "Tier 1 Development Agreement By and Between the City of Rancho Cordova and Relative to the Development Known as Rio Del Oro (hereinafter the "Development Agreement"). Pursuant to the Development Agreement, Elliott agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Sacramento County on _____, 2010, as Instrument No. 2010-_____.

Elliott intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel _____, and more particularly

identified and described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel").

Elliott desires to assign and Assignee desires to assume all of Elliott's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Elliott and Assignee hereby agree as follows:

Elliott hereby assigns, effective as of Elliott's conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel. Elliott retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Elliott.

Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Elliott as the "Elliott" under the Development Agreement with respect to the Assigned Parcel and Elliott shall be released of and from any obligations or liabilities under the Development Agreement with respect to the Assigned Parcel.

Assignee understands and acknowledges that pursuant to Section 7 of the Development Agreement, Assignee shall have no right to conduct Development Activity on the Assigned Parcel beyond that which is expressly provided for in Section 7 of the Development Agreement, and that City shall have the discretion to deny approval for any Tier 2 Entitlements for the Assigned Parcel until Elliott, Assignee and any other owners of record in the Specific Plan area have agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval by either (1) amending the respective Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Elliott and Assignees achieve the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

The Notice Address described in Section 20 of the Development Agreement for the Elliott with respect to the Assigned Parcel shall be:

_____
_____
_____
Attn: _____

[Signatures follow on next page]

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

ELLIOTT:	ASSIGNEE:
ELLIOTT HOMES INC., an Arizona Corporation	_____, a _____
By: _____	By: _____
Print Name:_____	Print Name:_____
Title: _____	Title: _____

1474520.5

EXHIBIT E

CONSENT TO ELLIOTT EXECUTION OF AGREEMENT BY FEE OWNERS OF ELLIOTT PROPERTY

THE UNDERSIGNED (**"OWNERS"**) HEREBY REPRESENT THAT THEY OWN FEE TITLE TO THE ELLIOTT PROPERTY DESCRIBED IN THIS ELLIOTT TIER 1 DEVELOPMENT AGREEMENT AND THAT ELLIOTT HOLDS AN OPTION TO ACQUIRE THE ELLIOTT PROPERTY FROM THE OWNERS. THE UNDERSIGNED OWNERS HEREBY CONSENT TO THE EXECUTION OF THIS ELLIOTT TIER 1 DEVELOPMENT AGREEMENT BY ELLIOTT AND ACKNOWLEDGE AND AGREE THAT, IF FOR ANY REASON ELLIOTT FAILS TO ACQUIRE THE ELLIOTT PROPERTY PURSUANT TO ITS OPTION, THEN THE UNDERSIGNED OWNERS WILL BE BOUND BY THE TERMS AND CONDITIONS OF THIS ELLIOTT TIER 1 DEVELOPMENT AGREEMENT.

ELLIOTT WHITEROCK, LLC,
a California limited liability company

Dated:_____, 2010

By: Elliott Homes, Inc.,
an Arizona corporation,
Its Manager

By:_____
Harry C. Elliott, III
President

STONECREEK INDUSTRIAL, LLC,
a California limited liability company

Dated:_____, 2010

By: Elliott Homes, Inc.,
an Arizona corporation,
Its Manager

By:_____
Harry C. Elliott, III
President

ALL-PURPOSE ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____,
Date — Here Insert Name and Title of Officer

Personally appeared _____
Name(s) of Signer(s)

_____,

Who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature of Notary Public

Place Notary Seal Above

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: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____
☐ Individual
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

CITY OF RANCHO CORDOVA

RESOLUTION NO. 117-2010

A RESOLUTION OF THE CITY COUNCIL APPROVING A CONDITIONAL USE PERMIT AND LETTER OF PUBLIC CONVENIENCE AND NECESSITY FOR TARGET CORPORATION – PROJECT # DD7021

WHEREAS, Target Corporation (Target) filed an application with the City of Rancho Cordova for a Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) (collectively referred to as the "Project") to allow the off-sale of distilled spirits, in addition to the currently permitted off-sale of beer and wine, from the store located at 10881 Olson Drive (Assessor's Parcel Number: 072-0280-079); and

WHEREAS, on September 23, 2010, Planning Commission of the City of Rancho Cordova conducted a properly noticed public hearing, and the Planning Commission, by vote of 3 ayes and 4 noes, voted against making a recommendation to approve the CUP and PCN, thereby recommending denial of the Project; and

WHEREAS, the City Council of the City of Rancho Cordova (City Council) is the appropriate authority to hear and take action on the Project; and

WHEREAS, the City Council has conducted a properly noticed public hearing pursuant to Government Code section 65090 and has duly considered all written and verbal testimony presented during the hearing.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The City Council hereby approves the Conditional Use Permit. In order for a CUP to be granted, a project must meet all of the required findings documented in Zoning Code Section 23.134.030. The following are each of the required findings and evidence to support them:

   a) Finding: The site size, dimensions, location, topography, and access are adequate for the needs of the proposed use, considering the proposed building mass, parking, traffic, noise, vibration, exhaust/emissions, light, glare, erosion, odor, dust, visibility, safety, and aesthetic considerations.

   Evidence: The City Council finds that the site size, dimensions, location, topography, and access of the site are adequate for the proposed activities resulting from the Type 21 license. The current site has been adequately serving the existing retail store and the sale of beer and wine. Since the approval of the Type 20 license, the site and store have been reconstructed, which included the addition of a larger grocery department. The proposed Type 21 license will not demand any additional parking nor produce more traffic, noise, vibration, exhaust/emissions, light, glare, erosion, odor, dust, visibility, safety, and aesthetic considerations. This finding has been met.

   b) Finding: The negative impacts of the proposed use on adjacent properties and on the public can be mitigated through application of other Code standards or other reasonable conditions of approval.

Evidence: The City Council finds that negative impacts of the proposed CUP on adjacent properties and on the public can be mitigated through application of Code standards and the attached Conditions of Approval. Target has an aggressive asset protection strategy. In addition to video surveillance, their strategy includes both uniformed and under cover security personnel, whose duties include monitoring and maintaining presence at the front of the store, as well as patrolling the parking lots. Target Corporation trains personnel to work closely with local police departments to remove any nuisances, in order to keep the store neat and orderly. This is as much a priority of public safety as it is a protection of the "Target brand experience."

In addition, the Conditions of Approval (COA) for the Project were crafted to mitigate and prevent foreseeable nuisances that alcohol sales are known to create. For example, the Police Department prohibits the sale of single serving containers, as well as loitering on the premises. The standard practices of Target's asset protection team, coupled with the approval of the COAs properly mitigate the negative impacts resulting from the proposed CUP. This finding has been met.

c) Finding: All required public facilities have adequate capacity to serve the proposal.

Evidence: The City Council finds that all required public facilities have adequate capacity to serve the Project. Currently, all public facilities are adequately serving the existing retail use, which includes the off-sale of beer and wine. Target engaging in the off-sale of distilled spirits, pursuant to a Type 21 license from the Department of Alcoholic Beverage Control (ABC), will not increase the demand on such public facilities. This finding has been met.

d) Finding: The project meets the requirements of the Zoning Code including development standards, design guidelines, and special use provisions.

Evidence: The City Council finds that the approval of the requested CUP will result in the project complying with all the requirements of the Zoning Code. The Folsom Boulevard Specific Plan (FBSP) requires the applicant to obtain a CUP for the sale of alcohol. Upon issuance of a CUP, this finding will be met.

e) Finding: If structures and site plans are considered nonconforming, the elements of a project that are nonconforming have been brought into compliance with the Zoning Code.

Evidence: There are no nonconforming elements of this Project. This finding has been met.

2. The City Council hereby approves the Letter of Public Convenience & Necessity (PCN), based on the following findings:

a) The City Council finds that the facts and findings provided in this Resolution demonstrate that the granting an additional license to the applicant will serve the public convenience, even though the census tract in which the Target store is located is over-concentrated by ABC standards.

b) The City Council finds that given Target's recent remodel and substantial expansion of its grocery department, permitting the sale of beer, wine, and distilled spirits will provide an additional convenience to residents who wish do all their grocery shopping at Target.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 15th day of November, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, City Clerk

MEMORANDUM

DATE: November 15, 2010

TO: Honorable Mayor and City Council Members

FROM: Shannan Loveless, Associate Planner

SUBJECT: **TARGET – PROJECT NO. DD7021 – CONDITIONAL USE PERMIT AND LETTER OF PUBLIC CONVENIENCE AND NECESSITY**

PROPERTY OWNER:	**APPLICANT:**
Target Corporation Carole Helmin 1000 Nicollet Mall, TPN-0910 Minneapolis, MN 55403	Hinman & Carmichael LLP Beth Aboulafia 260 California Street, Suite 1001 San Francisco, CA 94111

PROJECT:	Target – Conditional Use Permit and Letter of Public Convenience & Necessity
FILE:	DD7021
LOCATION:	10881 Olson Drive
APN:	072-0280-079
PLANNER:	Shannan Loveless, Associate Planner

Wayne Hunt agrees with us.

RECOMMENDATION

The Planning Commission recommends the City Council adopt Resolution 117-2010 (**Attachment 1**), denying the applicant's request for a Conditional Use Permit and Letter of Public Convenience and Necessity, based on the findings contained in the resolution.

RESULT OF RECOMMENDED ACTION

The applicant is requesting a Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) to allow the off-sale of distilled spirits, in addition to the currently permitted off-sale of beer and wine. Denying this request will allow Target to continue to sell beer and wine under their existing license, but they will not be permitted to sell distilled spirits.

BACKGROUND

The Target store located at 10881 Olson Drive received approval from the City Council on February 5, 2007 to sell beer and wine with a Type 20 license from the Department of Alcoholic Beverage Control (ABC). Since then, the store has undergone a complete rebuild, including the addition of a much larger grocery department. The new market occupies approximately 10,000 square feet and offers a full range of grocery products,

including fresh meats, fresh vegetables and produce and fresh bakery items, along with an expanded selection of dry goods.

In conjunction with the expansion of the market section, the applicant would like to offer customers a full range of alcoholic beverage products, including distilled spirits. According the applicant, the addition of distilled spirits to their existing grocery offerings will result in a more complete shopping experience and will provide a convenience to customers by eliminating the need for an additional shopping trip. With its expanded market section, Target expects to be a one-stop destination for grocery and beverage purchases.

REQUIRED APPROVALS

In order for the applicant to expand its alcoholic beverage sales, the applicant must obtain a Type 21 license from the ABC. Due to over-concentration of these types of licenses in the census tract, the ABC requires the applicant to obtain a PCN from the City prior to issuance of the Type 21 license. In addition, the Folsom Boulevard Specific Plan requires the applicant to obtain a CUP for off-site alcoholic beverage sales.

Procedurally, the Planning Commission would have final authority over CUP applications, while PCN authority would reside only in the City Council. Because both a CUP and a PCN are required of this applicant, the two actions have been combined, giving Planning Commission a recommending authority and the City Council the authority for final action. The project was heard by the Planning Commission on September 23, 2010, and several concerns were raised. Ultimately, the Planning Commission, by vote of 3 ayes and 4 noes, voted against making a recommendation to approve the CUP and PCN.

POLICE DEPARTMENT POSITION

City staff's original analysis and recommendation to the Planning Commission to approve the project was based, in part, on the position of the Rancho Cordova Police Department (RCPD). In a letter (contained within **Attachment 2**) from RCPD, dated August 18, 2010, the Police Department protested the application on the basis of the premise being located in a high crime sub-sector and, further, on the basis of the over concentration of licenses in the area. In the same letter, RCPD offered withdrawal of its protest if the applicant would agree to certain Conditions of Approval (COA), which were included in the draft set of COAs (contained within **Attachment 2**). However, at the September 23, 2010 Planning Commission meeting, RCPD announced its position had changed and withdrew its offer to recommend approval of the project in conjunction with any COAs; RCPD would protest the application under any circumstances, mainly on the basis of high crime and over-concentration of similar uses in the area.

PLANNING COMMISSION FEEDBACK

The minutes from the September 23, 2010 Planning Commission meeting are included as **Attachment 3** to this staff report. In general, the following concerns were expressed:

- Heeding RCPD's recommendation, the Planning Commission expressed concerns about existing high crime levels in the area and the potential for an additional outlet of alcohol to increase these levels.

- To mitigate concerns of increased loitering and public drunkenness, a suggestion was made to prohibit the sale of gift sets (e.g. a bottle packaged with a complimentary cocktail glass) that may encourage the on-site or nearby consumption of spirits.
- To mitigate a concern for alcohol theft, a suggestion was made to store the distilled spirits, if their sale would be approved, in locked cabinets, which is something Target has not done in any of their other stores that are permitted to sell spirits.
- Precedence setting was a concern for some Planning Commissioners. Specifically, the concern was that an approval of Target's request would obligate the City to approve future undesirable requests to sell alcohol. Staff advised that each CUP and/or PCN request would be evaluated individually on its own merits, context, and crime statistics for its area. Approving or denying one request should not impact future requests.

There was some dissent among the Planning Commission, and expressions of support were also heard:

- Appreciation for Target's history of being a "great citizen" was expressed, suggesting Target has earned some trust that they would continue to ensure that no nuisances would arise from the additional sale of distilled spirits.
- There was some opinion that type of alcohol should not matter. Public drunkenness could occur, whether one drinks beer, wine, or a distilled spirit, and since the applicant has already been approved to sell beer and wine, the additional sale of spirits was not a concern.
- A converse concern of precedence was also expressed: perhaps a denial of Target's request would obligate the City to deny future desirable requests to sell alcohol. Again, staff advised that each CUP and/or PCN request would be evaluated individually on its own merits, context, and crime statistics for its area.

CONCLUSION

While there was some dissenting support among the Commission, the majority of the Planning Commission voted against recommending that the City Council approve the applicant's request. Staff has interpreted this as a recommendation that the City Council deny the request for a CUP and PCN. Concerns regarding high crime in the area and the over-concentration of off-sale alcoholic beverage licenses outweighed the argument for public convenience.

FINANCIAL IMPLICATIONS TO CITY

There are no significant cost implications to the City for this development.

RECOMMENDED MOTION

I move the City Council adopt Resolution No. 117-2010 (**Attachment 1**) to deny the Conditional Use Permit and Letter of Public Convenience and Necessity for Target, subject to the findings and evidence contained in the resolution.

ATTACHMENTS

1. Resolution No. 117-2010, including:
   - Exhibit A – Project Description & Project Plans
   - Exhibit B – ABC List of existing retail licenses in Census Tract 90.09
2. Staff Report for September 23, 2010 Planning Commission, including:
   - Attachment 1 – Project Description & Project Plans *(Note: This became Exhibit A to Resolution No. 117-2010.)*
   - Attachment 2 – Conditions of Approval
   - Attachment 3 – ABC List of existing retail licenses in Census Tract 90.09 *(Note: This became Exhibit B to Resolution No. 117-2010.)*
   - Attachment 4 – Comment Letter from Rancho Cordova Police Department dated August 18, 2010
   - Attachment 5 – 500' Radius Map and Labels
3. Minutes from September 23, 2010 Planning Commission

ATTACHMENT 1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 117-2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DENYING A CONDITIONAL USE PERMIT AND LETTER OF PUBLIC CONVENIENCE AND NECESSITY FOR TARGET CORPORATION – PROJECT # DD7021

WHEREAS, Target Corporation filed an application with the City of Rancho Cordova for a Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) to allow the off-sale of distilled spirits, in addition to the currently permitted off-sale of beer and wine, from the store located at 10881 Olson Drive (Assessor's Parcel Number: 072-0280-079); and

WHEREAS, on September 23, 2010, Planning Commission of the City of Rancho Cordova conducted a properly noticed public hearing, and the Planning Commission voted 3:4 on a motion to approve the project, thereby recommending denial of the project; and

WHEREAS, the City Council is the appropriate authority to hear and take action on this project; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code Section 65090 and has duly considered all written and verbal testimony presented during the hearing.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The City Council hereby denies the Conditional Use Permit. In order for a CUP to be granted, a project must meet all of the required findings documented in Zoning Code Section 23.134.030. Because there is not sufficient evidence to support all of the required findings, the request for CUP must be denied. The following are each of the required findings and evidence:

   a) Finding: The site size, dimensions, location, topography, and access are adequate for the needs of the proposed use, considering the proposed building mass, parking, traffic, noise, vibration, exhaust/emissions, light, glare, erosion, odor, dust, visibility, safety, and aesthetic considerations.

   Evidence: The City Council finds that the site size, dimensions, etc. have been adequately serving the existing retail store and the sale of beer and wine. Since the approval of the Type 20 license, the site and store have been reconstructed. The proposed Type 21 license will not demand any additional parking nor produce more traffic, noise, vibration, etc. This finding has been met.

   b) Finding: The negative impacts of the proposed use on adjacent properties and on the public can be mitigated through application of other Code standards or other reasonable conditions of approval.

   Evidence: The City Council finds that pursuant to the evidence and testimony provided by the Rancho Cordova Police Department (RCPD), the negative impacts of the proposed use cannot be mitigated. RCPD has concluded that no Conditions of Approval would mitigate the impact of sales of alcohol in the area. RCPD has testified before the Planning Commission and the City Council that they recommend denial of the applicant's request due to the over-concentration of alcohol licenses in the area and existing high crime levels. RCPD has concluded that the additional

outlet of distilled spirits in an already over-concentrated area will result in an increase in crime in that area which cannot be mitigated. **This finding cannot be met.**

c) Finding: All required public facilities have adequate capacity to serve the proposal.

Evidence: The City Council finds that pursuant to the evidence and testimony provided by RCPD, there does not exist adequate capacity from the RCPD to serve the proposal. While all public facilities are adequately serving the existing retail use, RCPD protests the application to sell distilled spirits at this location. RCPD expects calls for service will increase with the additional sale of alcohol at this location beyond those which the Department can handle at current staffing levels. **This finding cannot be met.**

d) Finding: The project meets the requirements of the Zoning Code including development standards, design guidelines, and special use provisions.

Evidence: The City Council finds that the denial of the requested CUP will result in the project not meeting all the requirements of the Zoning Code. The Folsom Boulevard Specific Plan (FBSP) requires the applicant to obtain a CUP for the sale of alcohol. If no CUP can be issued, this project would violate the FBSP. **This finding cannot be met without the issuance of a CUP.**

e) Finding: If structures and site plans are considered nonconforming, the elements of a project that are nonconforming have been brought into compliance with the Zoning Code.

Evidence: There are no nonconforming elements to this project site. This finding has been met.

2. The City Council hereby denies the Letter of Public Convenience & Necessity (PCN), based on the following findings:

a) The census tract in which the Target store is located is over-concentrated. The store, located at 10881 Olson Drive, is located within Census Tract 90.09. Based on the current population within this tract, the Department of Alcoholic Beverage Control (ABC) allows only three off-sale licenses. However, including Target's existing Type 20 (beer and wine) license and excluding one surrendered Type 20 license, there are five existing off-sale licenses in Census Tract 90.09. Exhibit B lists all off-sale licenses in this census tract.

In addition to those licenses within Census Tract 90.09, the Target store is in close proximity to other nearby outlets of alcohol sales. Even within the same block as Target but on the north side of Folsom Boulevard, there are two additional outlets with Type 21 (beer, wine & distilled spirits) licenses. Given the over-concentration of the census tract in which the Target store is located and the close proximity to additional outlets outside the census tract, the City does not deem is necessary for public convenience to allow the Target store to begin selling distilled spirits.

b) The Rancho Cordova Police Department (RCPD) protests the application to sell distilled spirits at this location on the basis of high crime. Preliminary research of the Sheriff's Department Computer Aided Dispatch System revealed there were one hundred fifty four (154) events in 2007; one hundred thirty-three (133) events in 2008; forty-seven (47) event in 2009 (in 2009 the store was closed a majority of the year for renovation); and forty-nine (49) events to date in 2010 (August 18, 2010) at

the applicant's premise. It is the position of RCPD that the additional sale of distilled spirits will result in increased calls for service to this location.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Ken Cooley, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

EXHIBIT A

ATTACHMENT TO DISCRETIONARY ENTITLEMENT APPLICATION
TARGET CORPORATION

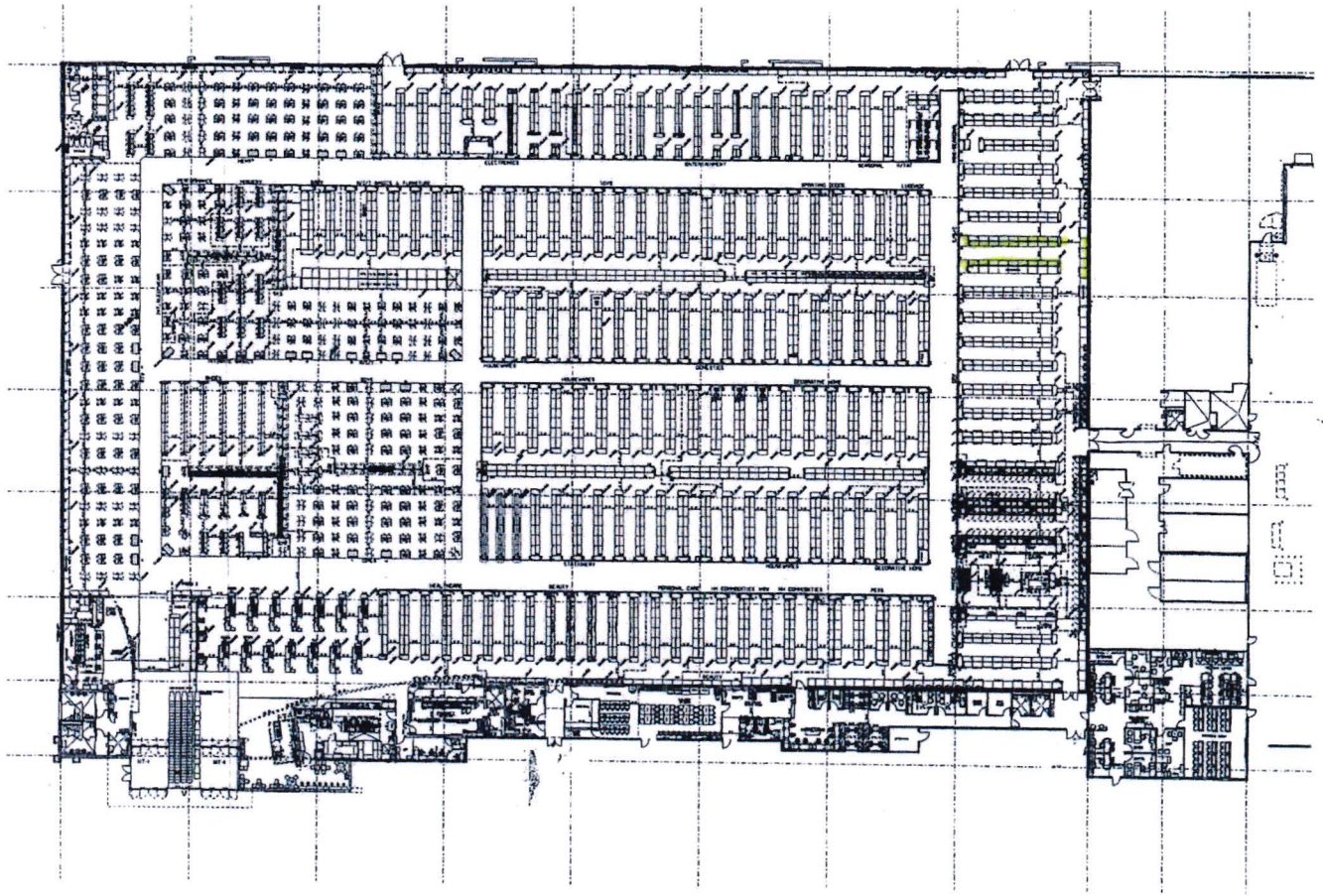
Project Description:

Target Corporation is applying for a conditional use permit to allow the sale of distilled spirits, in addition to beer and wine, for off-site consumption at the Target store in Rancho Cordova

The Target store has been licensed with a Type 20 off-sale beer and wine license since April 2007. (The Rancho Cordova City Council approved a finding of public convenience or necessity for the license.)

In 2009, Target rebuilt the store. The old building was completely torn down and rebuilt in the same location. One of the features of the new Target store is a significantly expanded market section. The new market section occupies approximately 10,000 sq. ft. along the northeast side of the store. The new market section offers a full-range of grocery products, including fresh meats, fresh vegetables and produce and fresh bakery items, along with an expanded selection of dry goods.

In conjunction with the expansion of the market section, Target would like to be able to offer customers a full-range of alcoholic beverage products, including distilled spirits. As noted above, Target is already selling beer and wine as part of its grocery offerings. Adding distilled spirits will offer customers a more complete shopping experience and will provide a convenience to Target's customers by eliminating the need for an additional shopping trip. With its new, improved market section, Target expects to be a one-stop destination for grocery and beverage purchases.



RGET CORPORATIO

CEILING HEIGHT

SOFTLINES CEILING:
14'-0"

HARDLINES CEILING:
14'-0"

STOCK ROOM:
20'-8"

FINAL
INSTALL PUE

TARGET

OCTOBER 2009 NEW STORE

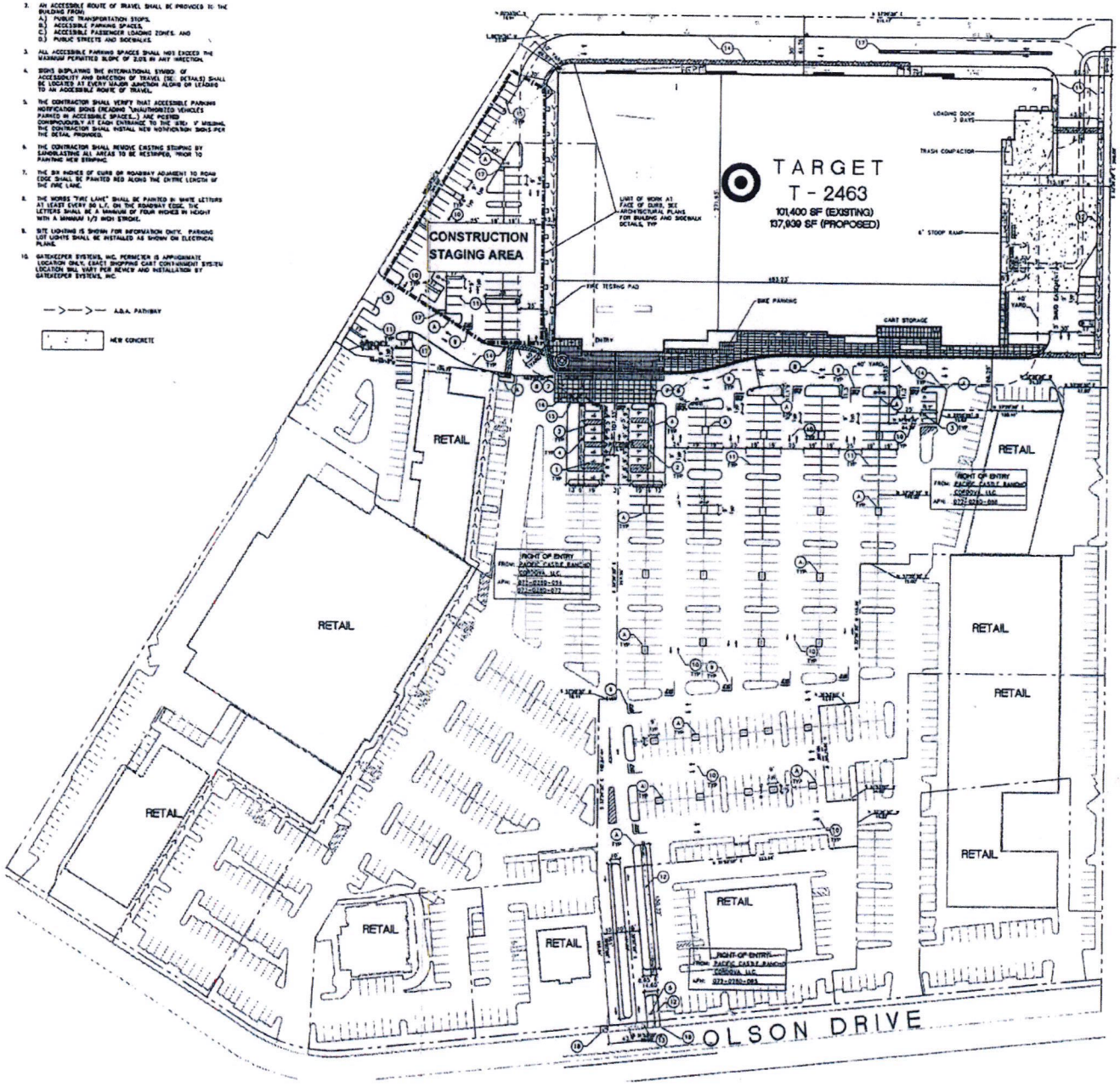
RANCHO CORDOVA
RANCHO CORDOVA, CA

T-2463

FIXTURE PLAN

PLAN TYPE
PD9.400
LRSS

SHEET NO.
FX1



SITE NOTES:

1. WALKWAYS AND SIDEWALKS WHICH ARE PART OF THE ADA ACCESSIBLE PATH SHALL BE:
   A.) CONTINUOUSLY ACCESSIBLE,
   B.) HAVE A MAXIMUM 1/2" CHANGE IN ELEVATION,
   C.) HAVE A MINIMUM WIDTH OF 48",
   D.) HAVE A MAXIMUM CROSS-SLOPE OF 2.08, AND
   E.) WHERE NECESSARY TO CHANGE ELEVATION AT A SLOPE EXCEEDING 5.0%, SHALL COMPLY WITH UBC REQUIREMENTS FOR PEDESTRIAN RAMPS, INCLUDING BUT NOT LIMITED TO UBC 1133B.3, 1127D AND 1133B.7.
2. AN ACCESSIBLE ROUTE OF TRAVEL SHALL BE PROVIDED TO THE BUILDING FROM:
   A.) PUBLIC TRANSPORTATION STOPS,
   B.) ACCESSIBLE PARKING SPACES,
   C.) ACCESSIBLE PASSENGER LOADING ZONES, AND
   D.) PUBLIC STREETS AND SIDEWALKS.
3. ALL ACCESSIBLE PARKING SPACES SHALL NOT EXCEED THE MAXIMUM PERMITTED SLOPE OF 2.0% IN ANY DIRECTION.
4. SIGNS DISPLAYING THE INTERNATIONAL SYMBOL OF ACCESSIBILITY AND DIRECTION OF TRAVEL (SEE DETAILS) SHALL BE LOCATED AT EVERY VEHICULAR JUNCTION ALONG OR LEADING TO AN ACCESSIBLE ROUTE OF TRAVEL.
5. THE CONTRACTOR SHALL VERIFY THAT ACCESSIBLE PARKING NOTIFICATION SIGNS (READING "UNAUTHORIZED VEHICLES PARKED IN ACCESSIBLE SPACES.") ARE POSTED CONSPICUOUSLY AT EACH ENTRANCE TO THE SITE. IF MISSING, THE CONTRACTOR SHALL INSTALL NEW NOTIFICATION SIGNS PER THE DETAIL PROVIDED.
6. THE CONTRACTOR SHALL REMOVE EXISTING STRIPING BY SANDBLASTING ALL AREAS TO BE RESTRIPED, PRIOR TO PAINTING NEW STRIPING.
7. THE 24" INDEXES OF CURB OR ROADWAY ADJACENT TO ROAD EDGE SHALL BE PAINTED RED ALONG THE ENTIRE LENGTH OF THE FIRE LANE.
8. THE WORDS "FIRE LANE" SHALL BE PAINTED IN WHITE LETTERS AT LEAST EVERY 30 L.F. ON THE ROADWAY EDGE. THE LETTERS SHALL BE A MINIMUM OF FOUR INCHES IN HEIGHT WITH A MINIMUM 1/2 INCH STROKE.
9. SITE LIGHTING IS SHOWN FOR INFORMATION ONLY. PARKING LOT LIGHTS SHALL BE INSTALLED AS SHOWN ON ELECTRICAL PLANS.
10. GATEKEEPER SYSTEMS, INC. PERIMETER IS APPROXIMATE LOCATION ONLY. EXACT SHOPPING CART CONTAINMENT SYSTEM LOCATION SHALL VARY PER OWNER AND INSTALLATION BY GATEKEEPER SYSTEMS, INC.

—>—>— ADA PATHWAY

NEW CONCRETE

SITE SUMMARY

TARGET PARCEL AREA: (429,842 SF), 9.86 AC

ZONING:
CR (COMMERCIAL)

EXISTING TARGET BUILDING AREA:

TARGET:	101,400 SF
GARDEN CENTER:	10,369 SF
SHOPS BLDG:	15,067 SF
TOTAL:	126,836 SF

PROPOSED TARGET BUILDING AREA:

TARGET:	133,256 SF

EXISTING SHOPPING CENTER BUILDING AREA:

TARGET:	101,786 SF
LOT 1	12,455 SF
LOT 2	5,178 SF
LOT 3	3,087 SF
LOT 4	7,110 SF
LOT 5	10,863 SF
LOT 6	30,048 SF
LOT 7	10,771 SF
LOT 8	53,684 SF
LOT 10	10,899 SF
LOT 11	15,083 SF
TOTAL:	270,885 SF

PROPOSED SHOPPING CENTER BUILDING AREA:

TARGET:	137,939 SF
LOT 1	12,455 SF
LOT 2	5,178 SF
LOT 3	3,087 SF
LOT 4	7,110 SF
LOT 5	10,863 SF
LOT 6	30,048 SF
LOT 7	10,771 SF
LOT 8	53,684 SF
LOT 10	10,899 SF
TOTAL:	281,993 SF

PARKING SUMMARY

CITY OF RANCHO CORDOVA PARKING REQUIREMENTS:
RETAIL: 4.5/1,000 SF

TARGET PARCEL

PARKING REQUIRED 137,939/222.22 =	621 STALLS
EXISTING PARKING:	805 STALLS
PARKING PROVIDED: PARKING RATIO	483 STALLS 3.50/1000

SHOPPING CENTER PARCELS

PARKING REQUIRED 281,993/222.22 =	1,269 STALLS
EXISTING PARKING:	1,340 STALLS
PARKING PROVIDED: PARKING RATIO	1,194 STALLS 4.23/1000

TYPICAL PARKING DIMENSIONS:

STANDARD	9' X 19'
COMPACT	8' X 16'
ACCESSIBLE	9' X 19'

KEYED NOTES:

1. ACCESSIBLE LEGEND, RE: DETAIL 1, DETAIL SHEET C2.1.
2. ACCESSIBLE STALL STRIPING, RE: DETAIL 2, DETAIL SHEET C2.1.
3. PAINTED "COMPACT" LEGEND, RE: DETAIL 3, DETAIL SHEET C2.1.
4. ACCESSIBLE PARKING SIGN, RE: DETAIL 4, DETAIL SHEET C2.1.
5. ACCESSIBLE NOTIFICATION SIGN, RE: DETAIL 5, DETAIL SHEET C2.1.
6. ACCESSIBLE CURB RAMP, RE: DETAIL 6, DETAIL SHEET C2.1.
7. TRUNCATED DOMES "ARMOR MAT", RE: DETAIL 7, DETAIL SHEET C2.1.
8. TRUNCATED DOMES ON AC PAVEMENT, RE: DETAIL 8, DETAIL SHEET C2.1.
9. PAINTED "STOP" LEGEND, RE: DETAIL 9, DETAIL SHEET C2.1.
10. PAINTED DIRECTIONAL ARROWS, RE: DETAIL 10, DETAIL SHEET C2.1.
11. PARKING STALL STRIPING, RE: DETAIL 11, DETAIL SHEET C2.1.
12. CONCRETE SIDEWALK, RE: DETAIL 12, DETAIL SHEET C2.1.
13. CONSTRUCT SACRAMENTO COUNTY COMMERCIAL DRIVEWAY TYPE A-4, SEE SACRAMENTO COUNTY STANDARD DETAIL A-34
14. PAINTED RED CURB, SEE NOTES 7 & 8 ON THIS SHEET
15. TARGET BRANDED "STOP" SIGN, RE: DETAIL 15, DETAIL SHEET C2.2.
16. CONCRETE CROSSGUTTER, RE: DETAIL 16, DETAIL SHEET C2.2.
17. CONCRETE VALLEY GUTTER, RE: DETAIL 17, DETAIL SHEET C2.2.
18. DOWEL INTO EXISTING SIDEWALK PER COUNTY STANDARD

CURBS:

A. CONCRETE VERTICAL CURB, RE: DETAIL 14, DETAIL SHEET C2.2.
B. 6" ROLLED CURB PER ARCH BLDG PLANS (TYP.), RE: DETAIL 27, DETAIL SHEET C2.2 SHOWN IN CIVIL SET FOR REFERENCE ONLY

GRAPHIC SCALE

(IN FEET)
1 inch = 40 ft.

NO.	DATE	DESCRIPTION
1	5/27/09	1ST PLAN CHECK COMMENTS

DATE: 5/27/09
SCALE: 1"=40'
DESIGNED: AJC
DRAWN: AJC
CHECKED: AJC
PROJ MGR: JMM
FILE NAME: N:\2077\Work\01-20-09\SITE.dwg

PACIFIC LAND SERVICES
281 SALVIO STREET, SUITE 204, CONCORD, CA 94520
925-680-6400 FAX 925-680-6407
ENGINEERING ENTITLEMENT SURVEYING LANDSCAPE ARCHITECTURE

SITE PLAN
TARGET T-2463
10281 OLSON DRIVE
RANCHO CORDOVA SACRAMENTO COUNTY CALIFORNIA

C-3.1
6077

PLOTTED: Aug 05, 2009 - 8:02 am

EXHIBIT B

California Department of Alcoholic Beverage Control
For the County of SACRAMENTO - (Retail Licenses)
and Census Tract = 90.09

Report as of 9/16/2010

	License Number	Status	License Type	Orig. Iss. Date	Expir Date	Primary Owner and Premises Addr.	Business Name	Mailing Address	Geo Code
1)	181031	ACTIVE	51	3/31/1986	1/31/2011	ELKS LODGE 2484 RANCHO CORDOVA 11440 ELKS CIR RANCHO CORDOVA, CA 95742 Census Tract: 0090.09	ELKS LODGE 2484 RANCHO CORDOVA	PO BOX 204 RANCHO CORDOVA, CA 95670	3408
2)	218233	ACTIVE	20	7/1/1988	3/31/2011	BILL WOOD INVESTMENTS INC 3001 ZINFANDEL DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	BILL WOOD CHEVRON		3408
3)	245088	ACTIVE	41	5/14/1990	8/31/2011	KIM, HWA SOON 3667 RECYCLE RD, STE 9 RANCHO CORDOVA, CA 95742 Census Tract: 0090.09	SUNRISE DELI	7925 ROCKHURST WY SACRAMENTO, CA 95828	3408
4)	258640	ACTIVE	41	4/22/1991	10/31/2010	LUONG, MIA 10947 OLSON DR, STE 405 RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	KIMS CHINESE RESTAURANT	408 MARSH HAWK DR FOLSOM, CA 95630	3408
5)	275830	SUREND	20	10/5/1992	6/30/2011	PNS STORES INC 10995 OLSON DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	BIG LOTS 4250	300 PHILLIPI RD, ATTN TAX DEPT COLUMBUS, OH 43228-5311	3408

6)	323625	ACTIVE	21	6/10/1997	6/30/2011	GROCERY OUTLET INC 2801 ZINFANDEL DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	GROCERY OUTLET	2000 5TH ST BERKELEY, CA 94710-1918	3408
7)	347768	ACTIVE	41	2/18/1999	8/31/2011	LI, YAO YUAN 2855 ZINFANDEL DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	SUNNY LEE RESTAURANT		3408
8)	359733	ACTIVE	41	12/27/1999	11/30/2010	CHONG, MAN KIT 2827 ZINFANDEL DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09			3408
9)	412253	ACTIVE	21	6/16/2004	5/31/2011	YU, BYONG JOO 10971 OLSON DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	KOREANA PLAZA MARKET SACRAMENTO		3408
10)	441682	ACTIVE	20	4/18/2007	3/31/2011	TARGET CORPORATION 10881 OLSON DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	TARGET T2463	1000 NICOLLET MALL, TPN-0910 ATTN CAROLE HELMIN MINNEAPOLIS, MN 55403-2542	3408
11)	445105	ACTIVE	41	3/8/2007	2/28/2011	BREAMERISUITES PROPERTIES LLC 10744 GOLD CENTER DR RANCHO CORDOVA, CA 95670-6050 Census Tract: 0090.09	AMERISUITES HOTEL Hilton	71 SOUTH WACKER DR, 14TH FLR LEGAL CHICAGO, IL 60606-4637	3408
12)	446172	ACTIVE	47	3/10/2008	2/28/2011	BRINKER RESTAURANT CORPORATION 3199 ZINFANDEL DR RANCHO	CHILIS GRILL & BAR	6820 LBJ FWY, ATTN LEGAL DEPARTMENT DALLAS, TX 75240-6515	3408

						CORDOVA, CA 95670 Census Tract: 0090.09			
13)	454059	ACTIVE	41	5/22/2008	4/30/2011	RUBIOS RESTAURANTS INC 3221 ZINFANDEL DR, STE 1 RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	RUBIOS FRESH MEXICAN GRILL #214	1902 WRIGHT PL, STE 300 CARLSBAD, CA 92008-6583	3408
14)	460155	ACTIVE	41	12/12/2007	5/31/2011	KIM, DAE KYUNG 11088 OLSON DR, STE E RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	MINTS		3408
15)	461081	ACTIVE	41	12/18/2007	11/30/2010	LEE, MYUNG HO 3590 SUNRISE BLVD, STE 4 RANCHO CORDOVA, CA 95742-7323 Census Tract: 0090.09	SUNRISE CAFE	3560 DEBINA WAY RANCHO CORDOVA, CA 95670-6973	3408
16)	464055	ACTIVE	41	10/23/2008	9/30/2010	WING PROS INC 3195 ZINFANDEL DR, STE 3 RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	WING STOP		3408
17)	476264	ACTIVE	47	2/3/2010	1/31/2011	CAL PAC RANCHO CORDOVA LLC 2801 PROSPECT PARK DR RANCHO CORDOVA, CA 95670 Census Tract: 0090.09	CORDOVA RESTAURANT & CASINO	901 CORPORATE CENTER DR, # 524 MONTEREY PARK, CA 91754-7665	3408
18)	478596	ACTIVE	41	7/9/2009	6/30/2011	SINPRASONG, KITTIKOM 3101 ZINFANDEL DR, STE 148 RANCHO CORDOVA, CA 95670-6397	SALA THAI	3224 MARSHSONG CT SACRAMENTO, CA 95834-2515	3408

						Census Tract: 0090.09			
19)	478724	ACTIVE	41	7/2/2009	6/30/2011	ILTS INC 3221 ZINFANDEL DR, STE 2 RANCHO CORDOVA, CA 95670-6380 Census Tract: 0090.09	I LOVE TERIYAKI AND SUSHI		3408
20)	480712	ACTIVE	21	9/3/2009	8/31/2011	GARFIELD BEACH CVS LLC 3301 ZINFANDEL DR RANCHO CORDOVA, CA 95670-6385 Census Tract: 0090.09	CVS PHARMACY 4950	1 CVS DR, MAIL DROP 23062A WOONSOCKET, RI 02895-6146	3408
21)	483994	ACTIVE	41	2/23/2010	1/31/2011	GALSTYAN, KHACHATUR 3191 ZINFANDEL DR, STE 1 & 2 RANCHO CORDOVA, CA 95670-6375 Census Tract: 0090.09	STEVES PIZZA	10381 BIRMINGHAM WAY RANCHO CORDOVA, CA 95670	3408
22)	486413	ACTIVE	70	5/12/2010	4/30/2011	CAMPBELL LODGING INC 10745 GOLD CENTER DR RANCHO CORDOVA, CA 95670-6038 Census Tract: 0090.09	FAIRFIELD INN	1800 E IMPERIAL HWY, STE 120 BREA, CA 92821-6012	3408

- - - End of Report - - -

For a definition of codes, view our glossary.

MEMORANDUM

DATE: September 23, 2010

TO: Planning Commission Members

FROM: Shannan Loveless, Associate Planner

SUBJECT: **TARGET – PROJECT NO. DD7021 – CONDITIONAL USE PERMIT AND LETTER OF PUBLIC CONVENIENCE AND NECESSITY TO ALLOW THE OFF-SALE OF DISTILLED SPIRITS, IN ADDITION TO THE CURRENTLY PERMITTED OFF-SALE OF BEER AND WINE**

PROPERTY OWNER:	**APPLICANT:**
Target Corporation Carole Helmin 1000 Nicollet Mall, TPN-0910 Minneapolis, MN 55403	Hinman & Carmichael LLP Beth Aboulafia 260 California Street, Suite 1001 San Francisco, CA 94111

PROJECT:	Target – Conditional Use Permit and Letter of Public Convenience & Necessity
FILE:	DD7021
LOCATION:	10881 Olson Drive
APN:	072-0280-079
PLANNER:	Shannan Loveless, Associate Planner

REQUEST

The applicant is requesting a Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) to allow the off-sale of distilled spirits, in addition to the currently permitted off-sale of beer and wine.

STAFF RECOMMENDATION

Staff recommends the Planning Commission forwarded a recommendation to the City Council to find the project will not result in a direct or reasonably foreseeable indirect physical change in the environment and is therefore exempt under Section 15061(b)(3) of the California Environmental Quality Act; and adopt a resolution approving a Conditional Use Permit and a Letter of Public Convenience and Necessity for Target, subject to the findings contained in the Resolution, Project Description & Project Plans (Attachment 1) and Conditions of Approval (Attachment 2).

LOCATION

The subject property is shown in the aerial photo in Figure 1. The property is designated Commercial Mixed Use (CMU) in the Folsom Boulevard Specific Plan (FBSP) and is home to the recently reconstructed Target store.

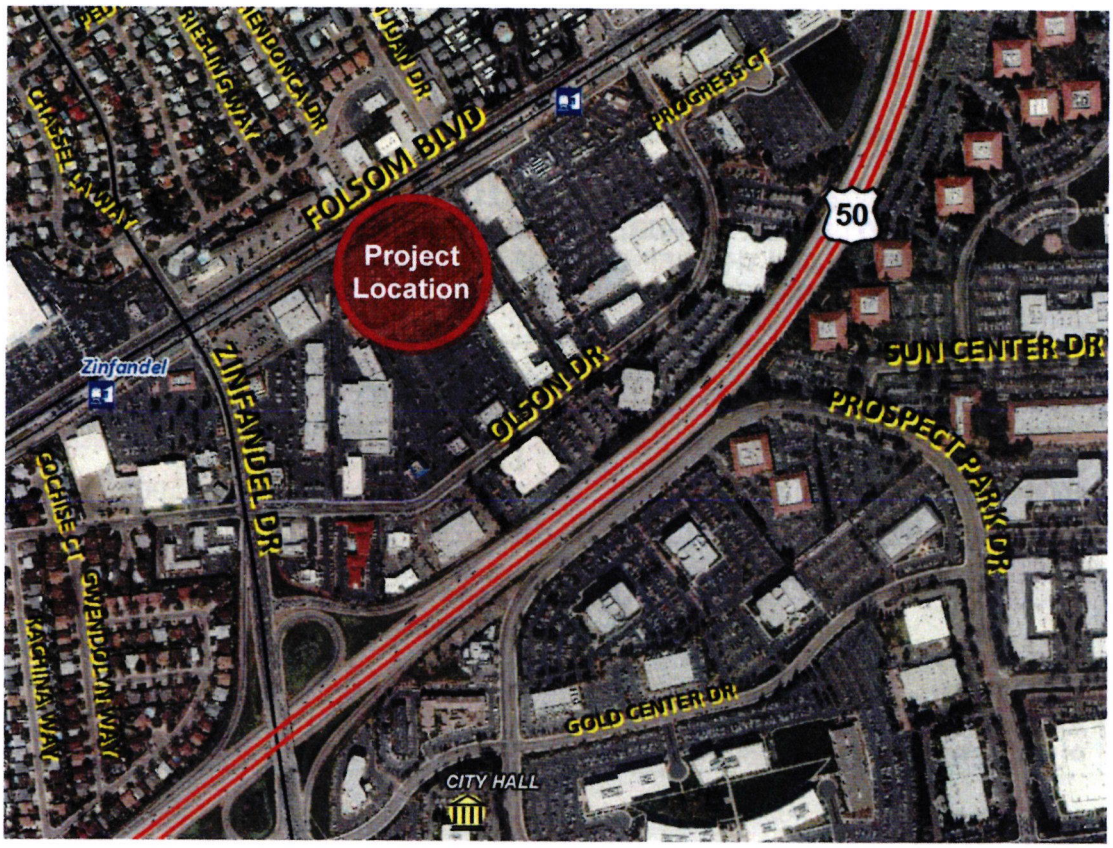


Figure 1 – Subject Property: Target at 10881 Olson Drive

ANALYSIS

Target has an existing Type 20 license, for which the City approved a PCN in February 2007. A Type 20 license allows the sale of beer, wine, and malt beverages for off-site consumption. Since the issuance of the original Type 20 license, the store was demolished and reconstructed. The new store layout includes a considerably larger grocery department, including several aisles of dry goods, frozen foods, fresh meats, fresh produce, and an expanded alcoholic beverage section. Target's purpose for increasing its grocery offerings was to provide a convenient one stop shop, and the expansion of the existing beer and wine sales to include a selection of distilled spirits is consistent with the overall expansion of the grocery offerings.

General Plan

The General Plan includes the subject site in the Folsom Boulevard Planning Area (FBPA). The FBPA designation envisions a mix of residential, office, and commercial

uses, including retail establishments. Specific uses such as the sale of alcohol were not addressed and therefore are not expressly prohibited by the General Plan.

Zoning

The subject property is designated CMU in the FBSP. Alcoholic Beverage Sales require a CUP in this zone.

Conditional Use Permit

In order for a CUP to be granted, a project must meet the required findings documented in Zoning Code Section 23.134.030. The following are each of the required findings and the evidence to support them:

A. Finding: The site size, dimensions, location, topography, and access are adequate for the needs of the proposed use, considering the proposed building mass, parking, traffic, noise, vibration, exhaust/emissions, light, glare, erosion, odor, dust, visibility, safety, and aesthetic considerations.

   Evidence: The site size, dimensions, etc. have been adequately serving the existing retail store and the sale of beer and. Since the approval of the Type 20 license, the site and store have been reconstructed. The proposed Type 21 license will not demand any additional parking nor produce more traffic, noise, vibration, etc.

B. Finding: The negative impacts of the proposed use on adjacent properties and on the public can be mitigated through application of other Code standards or other reasonable conditions of approval.

   Evidence: The Conditions of Approval for this project were crafted to prevent foreseeable nuisances that alcohol sales are known to create. For example, no single serving containers may be sold, and no loitering shall be permitted.

C. Finding: All required public facilities have adequate capacity to serve the proposal.

   Evidence: All public facilities are adequately serving the existing retail use, and the additional alcoholic beverage sales will not impact these facilities.

D. Finding: The project meets the requirements of the Zoning Code including development standards, design guidelines, and special use provisions.

   Evidence: By obtaining a Conditional Use Permit, the applicant is meeting the applicable special use provision required by the Folsom Boulevard Specific Plan.

E. Finding: If structures and site plans are considered nonconforming, the elements of a project that are nonconforming have been brought into compliance with the Zoning Code.

   Evidence: There are no nonconforming elements to this project site.

Letter of Public Convenience & Necessity

In addition to the City's requirement for a CUP, the Department of Alcoholic Beverage Control (ABC) is requiring a new PCN to issue a Type 21 license in the applicant's location. While the City has already approved a PCN for Target for its original Type 20 license, the application for a Type 21 license will expand the applicant's sale of alcohol to include distilled spirits, triggering the requirement for a new PCN.

The PCN, along with the CUP, offers the City the ability to approve, deny, or conditionally approve liquor license applications, when the number of licenses in the area exceeds the standards established by the State Department of Alcoholic Beverage Control (ABC). The City has the full discretion to approve, deny or approve with conditions the applicant's request.

The Target store at 10881 Olson Drive is located within Census Tract 90.09. The ABC has determined that there are 5 existing off-sale (Type 20/21) licenses, including Target's existing Type 20 license and excluding one surrendered Type 20 license. Based on the current population within this tract, only three Type 20 or 21 licenses are allowed.

The ABC has provided a list of the types and addresses of the all existing licenses within Census Tract 90.09 (**Attachment 3**). Of the 22 retail licenses listed, 6 are for off-site sales, one of which is surrendered, while the remaining licenses are for on-site sales in conjunction with restaurants/bars. The number of the license corresponds to the type as follows:

- 41 – Restaurant - beer and wine only
- 47 – Restaurant – all alcohol types
- 51 – Club (i.e. Elks, Moose, etc.)
- 20 – Off-site – beer and wine only
- 21 – Off-site – all alcohol types

Police Department Conditions

After reviewing the applicant's request, the Rancho Cordova Police Department (RCPD) protested the issuance of a Type 21 license at the Target store. In a letter dated August 18, 2010 (**Attachment 4**), RCPD stated it would be willing to withdraw its protest if certain conditions are imposed. All of the RCPD conditions have been incorporated into the Conditions of Approval for the project (**Attachment 2**).

The applicant has agreed to all conditions but has proposed changes to conditions 7, 9, 13, 19, and 20. RCPD is unwilling to remove or revise these conditions, due to the applicant's premise being located in a sub-sector that RCPD identifies as high crime and over-concentrated. Both the applicant and a representative from RCPD are expected to be in attendance at the Planning Commission hearing to present their positions and answer any of the Commission's questions.

CONCLUSION

Staff has reviewed the applicant's request for a Conditional Use Permit and Letter of Public Convenience and Necessity to change the existing Type 20 beer and wine license to a Type 21 beer, wine and distilled spirits license at the Target store on Olson Drive. The expansion of alcohol sales to include distilled spirits is proportionate to the expansion of the grocery area in the new store that was reconstructed since the approval of the Type 20 license. While the census tract in which the store is located is considered high crime and over concentrated, the request may be granted in conjunction with reasonable Conditions of Approval that aim to ensure the additional sale of distilled spirits will not create a new nuisance in the area. Staff recommends approval of the project as proposed.

ENVIRONMENTAL ANALYSIS

The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and is therefore exempt under Section 15061(b)(3) of the California Environmental Quality Act Guidelines.

FINANCIAL IMPLICATIONS TO CITY

There are no significant cost implications to the City for this development.

APPEALS

Anyone may appeal the Planning Commission's decision on this project by filing an appeal with the City Clerk's office within 10 days of the decision.

RECOMMENDED MOTION

"I move the Planning Commission forwarded a recommendation to the City Council to find the project will not result in a direct or reasonably foreseeable indirect physical change in the environment and is therefore exempt under Section 15061(b)(3) of the California Environmental Quality Act; and direct staff to adopt a resolution approving a Conditional Use Permit and a Letter of Public Convenience & Necessity for Target, subject to the findings contained in the Resolution, Project Description & Project Plans (Attachment 1) and Conditions of Approval (Attachment 2)."

ATTACHMENTS

1. Project Description & Project Plans
2. Conditions of Approval
3. ABC List of existing retail licenses in Census Tract 90.09
4. Comment Letter from Rancho Cordova Police Department dated August 18, 2010
5. 500' Radius Map and Labels

ATTACHMENT TO DISCRETIONARY ENTITLEMENT APPLICATION
TARGET CORPORATION

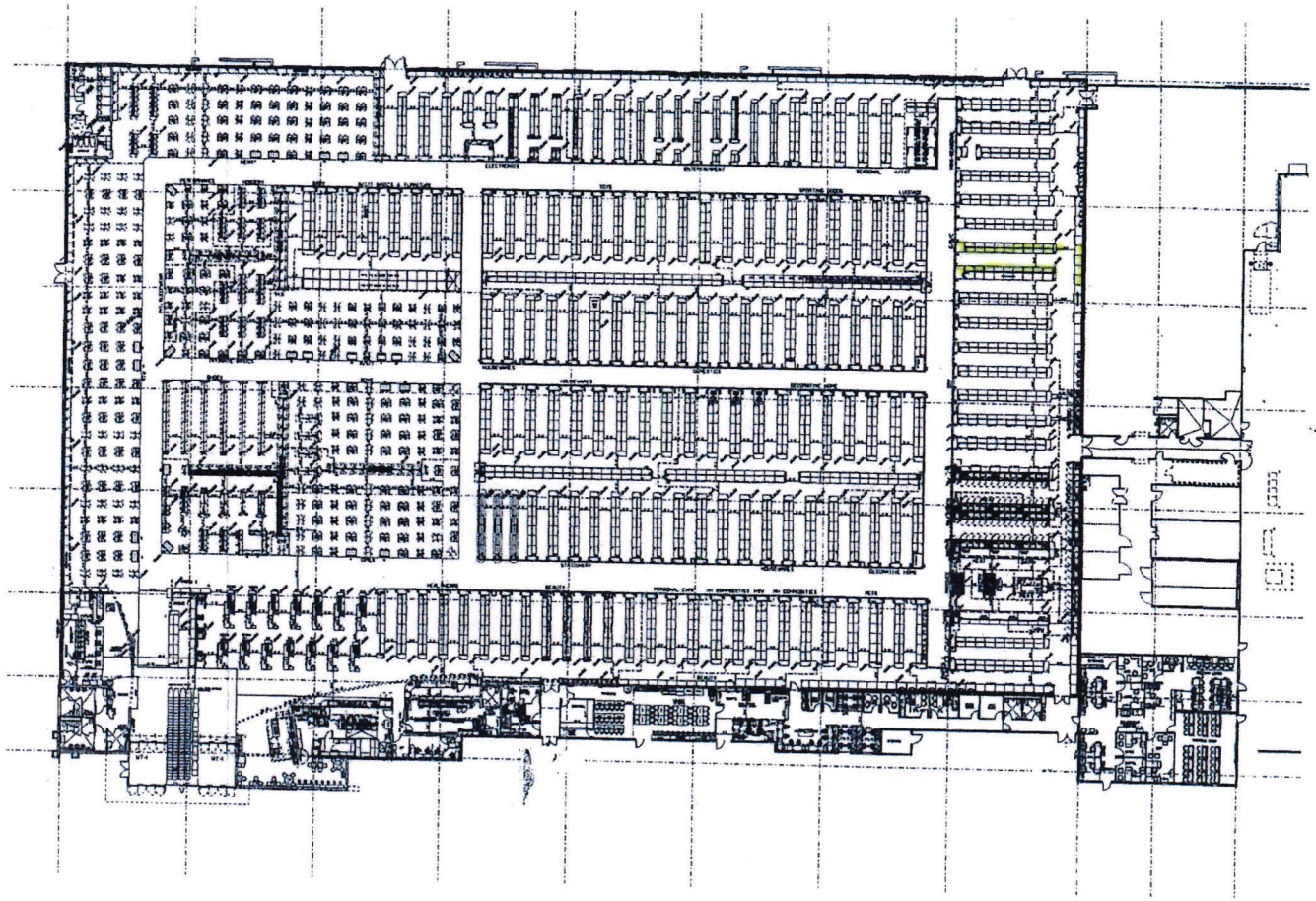
Project Description:

Target Corporation is applying for a conditional use permit to allow the sale of distilled spirits, in addition to beer and wine, for off-site consumption at the Target store in Rancho Cordova

The Target store has been licensed with a Type 20 off-sale beer and wine license since April 2007. (The Rancho Cordova City Council approved a finding of public convenience or necessity for the license.)

In 2009, Target rebuilt the store. The old building was completely torn down and rebuilt in the same location. One of the features of the new Target store is a significantly expanded market section. The new market section occupies approximately 10,000 sq. ft. along the northeast side of the store. The new market section offers a full-range of grocery products, including fresh meats, fresh vegetables and produce and fresh bakery items, along with an expanded selection of dry goods.

In conjunction with the expansion of the market section, Target would like to be able to offer customers a full-range of alcoholic beverage products, including distilled spirits. As noted above, Target is already selling beer and wine as part of its grocery offerings. Adding distilled spirits will offer customers a more complete shopping experience and will provide a convenience to Target's customers by eliminating the need for an additional shopping trip. With its new, improved market section, Target expects to be a one-stop destination for grocery and beverage purchases.



.RGET CORPORATIO

CEILING HEIGHT

SOFTLINES CEILING:

14'-Ø"

HARDLINES CEILING:

14'-Ø"

STOCK ROOM:

20'-8"

FOR STORE PLANNING USE ONLY.

FINAL
INSTALL PUE

TARGET

ISSUE DATE: 07/10/09

PLOT DATE: 07-JUL-2009 08:49

DRAWN BY: TMA P[illegible]

SCALE: 1/16"=1'

PROJECT
OCTOBER 2009 NEW STORE

NAME
RANCHO CORDOVA
RANCHO CORDOVA, CA

STORE NO.
T-2463

TITLE
FIXTURE PLAN

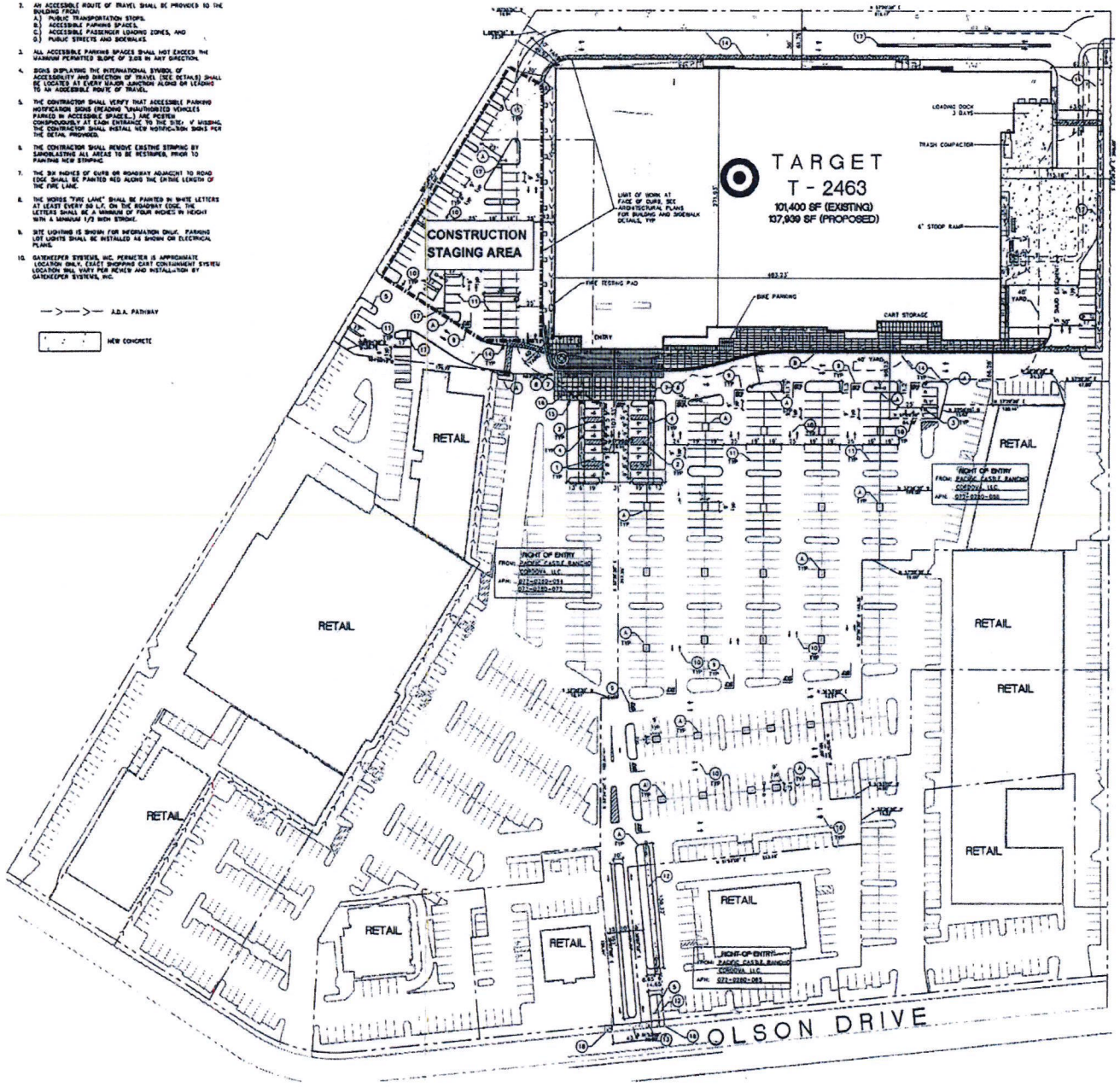
PLAN TYPE	SHEET NO.
P09.408 LRSS	FX1

SITE NOTES:

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6. THE CONTRACTOR SHALL REMOVE EXISTING STRIPING BY SANDBLASTING ALL AREAS TO BE RESTRIPED, PRIOR TO PAINTING NEW STRIPING.
7. THE SIX INCHES OF CURB OR ROADWAY ADJACENT TO ROAD EDGE SHALL BE PAINTED RED ALONG THE ENTIRE LENGTH OF THE FIRE LANE.
8. THE WORDS "FIRE LANE" SHALL BE PAINTED IN WHITE LETTERS AT LEAST EVERY 50 L.F. ON THE ROADWAY EDGE. THE LETTERS SHALL BE A MINIMUM OF FOUR INCHES IN HEIGHT WITH A MINIMUM 1/2 INCH STROKE.
9. SITE LIGHTING IS SHOWN FOR INFORMATION ONLY. PARKING LOT LIGHTS SHALL BE INSTALLED AS SHOWN ON ELECTRICAL PLANS.
10. GATEKEEPER SYSTEMS, INC. PERIMETER IS APPROXIMATE LOCATION ONLY. EXACT SHOPPING CART CONTAINMENT SYSTEM LOCATION SHALL VARY PER REVIEW AND INSTALLATION BY GATEKEEPER SYSTEMS, INC.

A.D.A. PATHWAY

NEW CONCRETE



SITE SUMMARY

TARGET PARCEL AREA: (429,842 SF), 9.86 AC

ZONING:
CP (COMMERCIAL)

EXISTING TARGET BUILDING AREA:

TARGET:	101,400 SF
GARDEN CENTER:	10,368 SF
SHOPS BLDG:	15,062 SF
TOTAL:	126,830 SF

PROPOSED TARGET BUILDING AREA:

TARGET:	133,256 SF

EXISTING SHOPPING CENTER BUILDING AREA:

TARGET:	111,766 SF
LOT 1	12,455 SF
LOT 2	5,178 SF
LOT 3	3,087 SF
LOT 4	7,110 SF
LOT 5	10,863 SF
LOT 6	30,048 SF
LOT 7	10,771 SF
LOT 8	53,684 SF
LOT 10	10,899 SF
LOT 11	15,062 SF
TOTAL:	270,852 SF

PROPOSED SHOPPING CENTER BUILDING AREA:

TARGET:	137,939 SF
LOT 1	12,455 SF
LOT 2	5,178 SF
LOT 3	3,087 SF
LOT 4	7,110 SF
LOT 5	10,863 SF
LOT 6	30,048 SF
LOT 7	10,771 SF
LOT 8	53,684 SF
LOT 10	10,899 SF
TOTAL:	281,993 SF

PARKING SUMMARY

CITY OF RANCHO CORDOVA PARKING REQUIREMENTS:
RETAIL: 4.5/1,000 SF

TARGET PARCEL

PARKING REQUIRED 137,939/222.22 =	621 STALLS
EXISTING PARKING:	805 STALLS
PARKING PROVIDED:	683 STALLS
PARKING RATIO	3.50/1000

SHOPPING CENTER PARCELS

PARKING REQUIRED 281,893/222.22 =	1,269 STALLS
EXISTING PARKING:	1,340 STALLS
PARKING PROVIDED:	1,194 STALLS
PARKING RATIO	4.23/1000

TYPICAL PARKING DIMENSIONS:

STANDARD	9' X 19'
COMPACT	8' X 16
ACCESSIBLE	9' X 19'

KEYED NOTES:

1. ACCESSIBLE LEGEND, RE: DETAIL 1, DETAIL SHEET C2.1
2. ACCESSIBLE STALL STRIPING, RE: DETAIL 2, DETAIL SHEET C2.1
3. PAINTED "COMPACT" LEGEND, RE: DETAIL 3, DETAIL SHEET C2.1.
4. ACCESSIBLE PARKING SIGN, RE: DETAIL 4, DETAIL SHEET C2.1.
5. ACCESSIBLE NOTIFICATION SIGN, RE: DETAIL 5, DETAIL SHEET C2.1.
6. ACCESSIBLE CURB RAMP, RE: DETAIL 6, DETAIL SHEET C2.1.
7. TRUNCATED DOMES "ARMOR RUE", RE: DETAIL 7, DETAIL SHEET C2.1.
8. TRUNCATED DOMES ON AC PAVEMENT, RE: DETAIL 8, DETAIL SHEET C2.1.
9. PAINTED "STOP" LEGEND, RE: DETAIL 9, DETAIL SHEET C2.1.
10. PAINTED DIRECTIONAL ARROWS, RE: DETAIL 10, DETAIL SHEET C2.1.
11. PARKING STALL STRIPING, RE: DETAIL 11, DETAIL SHEET C2.1.
12. CONCRETE SIDEWALK, RE: DETAIL 12, DETAIL SHEET C2.1.
13. CONSTRUCT SACRAMENTO COUNTY COMMERCIAL DRIVEWAY TYPE A-6, SEE SACRAMENTO COUNTY STANDARD DETAIL 4-14.
14. PAINTED RED CURB, SEE NOTES 7 & 8 ON THIS SHEET
15. TARGET BRANDED "STOP" SIGN, RE: DETAIL 16, DETAIL SHEET C2.2.
16. CONCRETE CROSSWALK, RE: DETAIL 20, DETAIL SHEET C2.3
17. CONCRETE VALLEY GUTTER, RE: DETAIL 17, DETAIL SHEET C2.2.
18. DOWEL INTO EXISTING SIDEWALK PER COUNTY STANDARD

CURBS:

A. CONCRETE VERTICAL CURB, RE: DETAIL 14, DETAIL SHEET C2.2.
B. 4" ROLLED CURB PER ARCH BLDG PLANS (TYP.), RE: DETAIL 22, DETAIL SHEET C2.3 SHOWN IN CIVIL SET FOR REFERENCE ONLY

GRAPHIC SCALE

NO.	DATE	BY	DESCRIPTION
A	4/27/07	JMC	1ST PLAN CHECK COMMENTS

DATE: 4/27/07
SCALE: 1"=40'
DESIGN: JMC
DRAWN: LS
CHECKED: JMC
PROJ MGR: JMC
FILE PATH: N:\2077\dwg\01-25-07\2077PLOT.dwg

PACIFIC LAND SERVICES
2151 SALVIO STREET, SUITE 250, CONCORD, CA 94520
925-680-8405 FAX 925-680-8487
CIVIL ENGINEERING DEVELOPMENT SURVEYING LANDSCAPE ARCHITECTURE

SITE PLAN
TARGET T-2463
12081 OLSON DRIVE
RANCHO CORDOVA SACRAMENTO COUNTY CALIFORNIA

C-3.1
5077

Draft Conditions of Approval/Mitigation Measures

Section I Conditions of Approval		Timing	Enforcing Agency	Verification Date and Signature	Monitor	Comments	Internal ID#
1.	Applicant shall not carry a negative account balance with the City for the processing of the project. If a negative account balance occurs, it will be the developer's responsibility to pay the balance due, in order to avoid delays in the processing of future permits or recordation of maps. Please email the Finance Department at billings@cityofranchocordova.org for the status of your account with the City.	ONGOING	FINANCE		N		106
2.	The action to approve this request will grant a Conditional Use Permit (CUP) and Letter of Public Convenience & Necessity (PCN) to begin the sale of distilled spirits, in addition to the previously permitted beer and wine sales, at the Target store located at 10881 Olson Drive (APN: 072-0280-079) as described in the Planning Commission staff report dated September 23, 2010 and its associated attachments. Any significant modification shall require an amendment to the permit.	ONGOING	PLANNING		N		101
3.	In the event of an appeal or legal challenge, this permit shall be withheld pending the outcome of the legal process.	ONGOING	PLANNING		N		102
4.	This action does not relieve the applicant of the obligation to comply with all ordinances, statutes, regulations, and procedures.	ONGOING	PLANNING		N		103

Draft Conditions of Approval/Mitigation Measures

	Section I Conditions of Approval	Timing	Enforcing Agency	Verification Date and Signature	Monitor	Comments	Internal ID#
5.	Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action.	ONGOING	PLANNING		N		104
6.	The permit holder is hereby notified that failure to comply with any one of these conditions may result in the revocation of this permit pursuant to the City of Rancho Cordova Zoning Code.	ONGOING	PLANNING		N		105
7.	Sales and service of alcohol beverages shall be permitted only between the hours of 6am and 11pm each day of the week.	ONGOING	POLICE DEPARTMENT		N		107
8.	Any graffiti painted or marked upon the premises or on any adjacent area under the control of the licensee(s) shall be removed or painted over within 72 hours of being appl ed.	ONGOING	POLICE DEPARTMENT		N		108
9.	Applicant(s) shall provide one (1) uniformed security guard from 6pm until one hour after closing, Friday anc Saturday night only.	ONGOING	POLICE DEPARTMENT		N		110
10.	Applicant(s) shall be responsible for maintaining the premises free of litter adjacent to the premise over which they have control.	ONGOING	POLICE DEPARTMENT		N		111
11.	The rear doors of the premises shall be equipped on the inside with an automatic locking device and shall be closed at all times and shall not be used as a means of access y patrons to and from the licenses premises. Temporary use of these doors for delivery of suppl es does not constitute a violation.	ONGOING	POLICE DEPARTMENT		N		109

Draft Conditions of Approval/Mitigation Measures

Section I Conditions of Approval		Timing	Enforcing Agency	Verification Date and Signature	Monitor	Comments	Internal ID#
12.	Beer and/or malt beverages shall be sold in original factory packaging of a six-pack or greater, except malt based coolers which shall be sold in original factory packing of a four-pack or greater. At no time shall a single unit be sold individually or in conjunction with another brand/size container of beer and/or malt beverage to constitute a six-pack or larger quantity.	ONGOING	POLICE DEPARTMENT		N	• Beth Abdallah • Chad Fowler stove mgr • lot of groceries • 50 states now have type21. • 50 stores in application process.	112
13.	The sale of wine shall be in bottles or containers no smaller than 750ml, except for dessert wines shall be no smaller than 375 ml. 4packs	ONGOING	POLICE DEPARTMENT		N		113
14.	The possession of alcoholic beverages in open containers and the consumption of alcoholic beverage are prohibited on or around these premises.	ONGOING	POLICE DEPARTMENT		N	• Full Dept of Asset Protection	114
15.	There shall be no exterior advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages or signs which are clearly visible to the exterior shall constitute a violation of this condition.	ONGOING	POLICE DEPARTMENT		N		115
16.	Licensee(s) shall post and maintain on the premises and in the parking lot used in conjunction therewith, notices or signs no less than eighteen inches by twenty-four inches (18"x24") in size, clearly visible to patrons of the licensee(s) and parking lot and to persons on the public sidewalk stating in two (2) inch block lettering the following: UNLAWFUL TO ENTER, BE OR REMAIN ON ADJACENT PARKING LOT OR ADJACENT PUBLIC SIDEWALK WITH AN OPEN ALCOHOLIC BEVAREAGE CONTAINER. BP 25612.5 PC 647e (a); RCMC 9.93.030.	ONGOING	POLICE DEPARTMENT		N		117

Draft Conditions of Approval/Mitigation Measures

	Section I Conditions of Approval	Timing	Enforcing Agency	Verification Date and Signature	Monitor	Comments	Internal ID#
17.	Licensee(s) shall post and maintain on the premises and in the parking lot used in conjunction therewith, notices or signs, no less than eighteen inches by twenty-four inches (18"x24") in size, clearly visible to patrons of the licensee(s) and parking lot and to persons on the public sidewalk stating in two (2) inch block lettering the following: NO LOITERING IS ALLOWED ON OR IN FRONT OF THESE PREMISES.	ONGOING	POLICE DEPARTMENT		N		118
18.	The exterior of the premises, including adjacent sidewalks and all parking lots under control of the licensee(s), shall be illuminated during all hours of darkness during which the premises are open for business in a manner so that persons standing in those areas at night are identifiable by law enforcement personnel. However, the required illuminations hall be placed so as to minimize interference with the quiet enjoyment of nearby residents of their property.	ONGOING	POLICE DEPARTMENT		N		119
19.	No person under the age of ~~21~~ 18 shall sell or deliver alcoholic beverages.	ONGOING	POLICE DEPARTMENT		N		116
20.	There shall be no amusement devices maintained upon the premises at any time.	ONGOING	POLICE DEPARTMENT		N		120
21.	Whenever an alcoholic beverage is sold to any person, the licensee or employee of the licensee must be present at the register where the purchase is taking place to verify the person purchasing the alcoholic beverage is 21 years of age or older.	ONGOING	POLICE DEPARTMENT		N		121

RANCHO CORDOVA POLICE DEPARTMENT

Doug Diamond
Chief of Police

10361 Rockingham Drive
Sacramento, California 95827

916.875.9600 – Main
916.875.8673 – Fax

www.RanchoCordovaPD.com

August 18, 2010

Associate Planner Shannon Loveless
City of Rancho Cordova, Planning Department
2719 Prospect Park Drive
Rancho Cordova, CA. 95670

Dear Associate Planner Shannon Loveless:

The Rancho Cordova Police Department protests the issuance of the ABC Off-Sale License # DD7021; Target Store located at 10881 Olson Drive, Rancho Cordova, CA 95670. This license requires PCN from the Rancho Cordova City Council due to the applicant's premise being located in a sub-sector that is high crime per B&P Code 23958.4 (1) and is over concentrated per B&P Code 23958.4 (2).

This census tract is currently allowed three (3) off sale licenses; currently this census tract has five (5) off sale licenses.

The Rancho Cordova Police Department would be willing to withdraw our protest if the following conditions were imposed:

1. Sales and service of alcohol beverages shall be permitted only between the hours of 6am and 11pm each day of the week
2. Any graffiti painted or marked upon the premises or on any adjacent area under the control of the licensee(s) shall be removed or painted over within 72 hours of being applied.
3. The rear doors of the premises shall be equipped on the inside with an automatic locking device and shall be closed at all times and shall not be used as a means of access by patrons to and from the licenses premises. Temporary use of these doors for delivery of supplies does not constitute a violation.
4. Petitioner(s) shall provide one (1) uniformed security guard from 6pm until one hour after closing. Friday and Saturday night only.

5. The petitioner(s) shall be responsible for maintaining free of litter adjacent to the premise over which they have control
6. Beer and/or malt beverages shall be sold in original factory of a six-pack or greater, except malt based coolers. At no time shall a single unit be sold individually or in conjunction with another brand/size container of beer and/or malt beverage to constitute a six packs or larger quantity.
7. The sale of wine shall be in bottles or containers no smaller than 750ml, except for dessert wines shall be no smaller than 375 ml.
8. The possession of alcoholic beverages in open containers and the consumption of alcoholic beverages are prohibited on or around these premises
9. There shall be no exterior advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages or signs which are clearly visible to the exterior shall constitute a violation of this condition.
10. No person under the age of 21 shall sell or deliver alcoholic beverages.
11. Licensee(s) shall post and maintain on the premises and in the parking lot used in conjunction therewith, notices or signs no less than eighteen inches by twenty-four inches (18"x 24") in size, clearly visible to patrons of the licensee(s) and parking lot and to persons on the public sidewalk stating in two(2) inch block lettering the following:

UNLAWFUL TO ENTER, BE OR REMAIN ON ADJACENT PARKING LOT OR ADJACENT PUBLIC SIDEWALK WITH AN OPEN ALCOHOLIC BEVERAGE CONTAINER. BP 25612.5 PC 647e (a); RCMC 9.93.030

12. Licensee(s) shall post and maintain on the premises and in the parking lot used in conjunction therewith, notices or signs, no less than eighteen inches by twenty-four inches (18" x 24") in size, clearly visible to patrons of the licensee(s) and

parking lot and to persons on the public sidewalk stating in two (2) inch block lettering the following:

NO LOITERING IS ALLOWED ON OR IN FRONT OF THESE PREMISES

13. The exterior of the premises, including adjacent sidewalks and all parking lots under control of the licensee(s), shall be illuminated during all hours of darkness during which the premises are open for business in a manner so that persons standing in those areas at night are identifiable by law enforcement personnel. However, the required illumination shall be placed so as to minimize interference with the quiet enjoyment of nearby residents of their property.
14. There shall be no amusement devices maintained upon the premises at any time.
15. Whenever an alcoholic beverage is sold to any person, the licensee or employee of the licensee must be present at the register where the purchase is taking place to verify the person purchasing the alcoholic beverage is 21 years of age or older.

Preliminary research of the Sheriff's Department Computer Aided Dispatch System reveled there were one hundred fifty four (154) events in 2007; one hundred thirty three (133) events in 2008; forty seven (47) events in 2009, business was closed majority of 2009 for renovation; and forty nine (49) events to date in 2010 at the applicants premise.

A search of the Sheriff's Department Crime Reporting Management System revealed there were nine hundred ninety one (991) reports taken within a one-mile radius of the applicants premise within the last year, 08-01-09 thru 07-31-10, one thousand eighty eight (1088) reports in 2008 to 2009 and one thousand four hundred thirty five (1435) reports in 2007 to 2008.

991-2009
1088-2008
1435-2007

Reports taken within a one (1) mile radius of 10881 Olson Drive

OFFENSE	07/08	08/09	09/10	Grand Total
Aggravated assault	55	52	59	166
Burglary	137	151	148	436
Burglary/theft from vehicle	191	145	207	543

Curfew/loitering/vagrancy	11	2	4	17
Destruct/vandalism of property	115	131	104	350
Drunkenness	77	10	5	92
Larceny/Theft	207	169	170	546
Liquor law violations	6	3		9
Narcotics	150	72	54	276
Prostitution	12	3		15
Robbery	57	55	50	162
Sex Crimes	18	12	10	40
Shoplifting	252	166	122	540
Simple assault	84	76	40	200
Stolen property offenses	24	13	8	45
Trespass of real property	26	12	5	43
Weapon law violations	13	16	5	34
Grand Total	1435	1088	991	3514

*does not contain all crimes in the area

A search of the Sheriff's Department Computer Aided Dispatch system, of the following apartment complexes, which are located within one mile of the applicant's premise revealed the following:

Calls for Service based on August 1 - July 31 Stats

Apartments	07/08	08/09	09/10
10701 Folsom	122	100	89
2830 Mills Park	66	83	155
10515 Mills Tower	215	167	159
10501 Croetto	205	228	142
3300 Capital Center	79	68	113
10468 Investment Circle	52	47	17
2719 Mills Park	42	51	37

A search of the Sheriff's Department Computer Aided Dispatch system, of the following intersection(s), which are located within one mile of the applicant's premise revealed the following:

Intersection	07/08	08/09	09/10
Zinfandel/Olson	163	123	72
Folsom/Olson/Cordova	62	51	20
Zinfandel/Folsom	169	127	68

These events do not include all the calls for service in the immediate area or the undocumented events that may have been conducted by the Rancho Cordova POP Officers.

The issuances of this license without the above mentioned conditions will likely increase calls for service in this area and have a detrimental effect on the community.

If you have any further information or have any questions, please feel free to contact me at (916) 875-5710.

Sincerely,

DOUG DIAMOND, CHIEF OF POLICE

Sergeant Greg Johnson #193
Problem Oriented Police Supervisor
Rancho Cordova Police Department

CITY OF RANCHO CORDOVA
PLANNING

LETTER OF CERTIFICATION

This form is to be completed by the person/firm preparing the map and list of property owners ***and residents of absentee owners*** within five hundred feet (500') of the project site.

State of California
County of Sacramento
City of Rancho Cordova

I, MICHAEL HIGGERSON hereby certify that attached list and labels contain the names and addresses of all persons having ownership, as they appear on the latest available assessment roll of the County of Sacramento and in the case of an absentee owner, ***the addresses of all renters or lessees*** of said address within the area described and for a distance of five hundred feet (500') from the exterior boundaries of the project site.

Please Note: Complete the items below only in the presence of a Notary Public.

I/we certify (or declare under penalty of perjury under the laws of the State of California) that the foregoing is true and correct.

MICHAEL HIGGERSON
Print Name

Signature

Subscribed and sworn to (or affirmed) before me on the 12th day of July 2010,
by Michael Higgerson proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Notary

LANE ELLIOTT
Commission # 1683881
Notary Public - California
Sacramento County
My Comm. Expires Jul 25, 2010

(Notary Seal)

Note: Rancho Cordova Planning can notarize this form.
Please call ahead to confirm the Notary will be available.

APN_D	OWNERNAME	M_HSENO	M_STREET	M_SFX	M_UNIT	M_CITY	M_STATE	M_ZIP	M_ZIP4
072-0280-093-0000	TARGET CORP	1000	NICOLLET	MALL		MINNEAPOLIS	MN	55403	
072-0280-097-0000	TARGET CORPORATION		PO BOX 9456			MINNEAPOLIS	MN	55440	
057-0253-003-0000	DICKSON LIVING TRUST	6233	COLE	AVE		CARMICHAEL	CA	95608	
057-0253-003-0000	OCCUPANT	10723	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0253-003-0000	OCCUPANT	2720	RIESLING	WAY		RANCHO CORDOVA	CA	95670	
057-0253-004-0000	DICKSON LIVING TRUST	6233	COLE	AVE		CARMICHAEL	CA	95608	
057-0253-004-0000	OCCUPANT	2723	CABERNET	WAY		RANCHO CORDOVA	CA	95670	
057-0253-004-0000	OCCUPANT	10715	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0254-006-0000	BERNADETTE & TADHG CANNIFFE	123	DWIGHT	RD		BURLINGAME	CA	94010	
057-0254-006-0000	OCCUPANT	10732	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0254-007-0000	TADHG & BERNADETTE CANNIFFE REVOCABLE TRST	123	DWIGHT	RD		BURLINGAME	CA	94010	
057-0254-007-0000	OCCUPANT	10728	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0254-010-0000	SHAHID AHMAD	821	STEWART	ST		FOLSOM	CA	95630	
057-0254-010-0000	OCCUPANT	10716	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0254-018-0000	RAMESH PITAMBER	220	HARDING	BLVD	#252	ROSEVILLE	CA	95678	
057-0254-018-0000	OCCUPANT	10701	FOLSOM	BLVD		RANCHO CORDOVA	CA	95670	
057-0254-019-0000	RAMESH PITAMBER	220	HARDING	BLVD	#252	ROSEVILLE	CA	95678	
057-0254-019-0000	OCCUPANT	10708	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0291-013-0000	MAHDIS ABADIAN	8520	ROYALL OAKS	DR		GRANITE BAY	CA	95746	
057-0291-013-0000	OCCUPANT	2754	MENDONCA	DR		RANCHO CORDOVA	CA	95670	
057-0291-013-0000	OCCUPANT	10743	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0292-007-0000	JOSEPH & BETTY HORICK TRUST-SURVIVING SPOUSE'S TRUST	6177	SAN GABRIEL	PL		ROHNERT PARK	CA	94928	
057-0292-007-0000	OCCUPANT	2751	MENDONCA	DR		RANCHO CORDOVA	CA	95670	
057-0292-007-0000	OCCUPANT	2749	MENDONCA	DR		RANCHO CORDOVA	CA	95670	
057-0292-007-0000	OCCUPANT	10835	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0292-007-0000	OCCUPANT	10837	ALICANTE	WAY		RANCHO CORDOVA	CA	95670	
057-0293-001-0000	SAC ONE	916	SILVER SPUR	RD	#210	ROLLING HILLS	CA	90274	
057-0293-001-0000	OCCUPANT	10801	FOLSOM	BLVD		RANCHO CORDOVA	CA	95670	
057-0293-004-0000	2771 DON JUAN DR LLC		PO BOX 880			WEST SACRAMENTO	CA	95691	
057-0293-004-0000	OCCUPANT	2771	DON JUAN	DR		RANCHO CORDOVA	CA	95670	
057-0293-005-0000	GURVINDER SANDHU	5	DEFER	CIR		SACRAMENTO	CA	95823	
057-0293-005-0000	OCCUPANT	2781	DON JUAN	DR		RANCHO CORDOVA	CA	95670	
057-0294-004-0000	ETHAN CONRAD	1300	NATIONAL	DR	#100	SACRAMENTO	CA	95834	
057-0294-004-0000	OCCUPANT	10751	FOLSOM	BLVD		RANCHO CORDOVA	CA	95670	
057-0294-006-0000	JERNIGAN FAMILY LIVING TRUST	2525	E EL SEGUNDO	BLVD	#318	EL SEGUNDO	CA	90245	
057-0294-006-0000	OCCUPANT	10755	FOLSOM	BLVD		RANCHO CORDOVA	CA	95670	
057-0294-007-0000	AUTOZONE INC		PO BOX 2198			MEMPHIS	TN	38101	
057-0294-007-0000	OCCUPANT	10791	FOLSOM	BLVD		RANCHO CORDOVA	CA	95670	
058-0034-008-0000	WILLIAMSON REV CRESS	425	UNIVERSITY	AVE	#220	SACRAMENTO	CA	95825	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	101	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	102	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	103	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	104	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	105	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	106	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	107	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	108	RANCHO CORDOVA	CA	95670	
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	109	RANCHO CORDOVA	CA	95670	

058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 110	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 111	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 112	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 113	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 114	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 115	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 116	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 117	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 118	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 119	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 120	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 121	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 122	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 123	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 124	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 125	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 126	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 127	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 128	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 129	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 130	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 131	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 132	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 133	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 134	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 135	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 136	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 137	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 138	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 139	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 140	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 201	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 202	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 203	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 204	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 205	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 206	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 207	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 208	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 209	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 210	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 211	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 212	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 213	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 214	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 215	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 216	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 217	RANCHO CORDOVA	CA	95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 218	RANCHO CORDOVA	CA	95670

058-0034-008-0000	OCCUPANT
058-0034-008-0000	OCCUPANT
058-0034-008-0000	OCCUPANT

058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 316	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 317	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 318	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 319	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 320	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 321	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 322	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 323	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 324	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 325	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 326	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 327	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 328	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 329	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 330	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 331	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 332	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 333	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 334	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 335	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 336	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 337	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 338	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 339	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 340	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 341	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 342	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 343	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 344	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 401	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 402	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 403	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 404	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 405	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 406	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 407	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 408	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 409	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 410	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 411	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 412	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 413	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 414	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 415	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 416	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 417	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 418	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 419	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833 FOLSOM	BLVD # 420	RANCHO CORDOVA	CA 95670

058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	421	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	422	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	423	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	424	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	425	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	426	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	427	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	428	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	429	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	430	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	431	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	432	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	433	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	434	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	435	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	436	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	437	RANCHO CORDOVA	CA 95670
058-0034-008-0000	OCCUPANT	10833	FOLSOM	BLVD #	438	RANCHO CORDOVA	CA 95670
072-0280-017-0000	PATTERSON FAMILY TRUST	2270	DOUGLAS	BLVD	#111	ROSEVILLE	CA 95661
072-0280-017-0000	OCCUPANT	10995	OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-018-0000	PATTERSON FAMILY TRUST	2270	DOUGLAS	BLVD	#111	ROSEVILLE	CA 95661
072-0280-018-0000	OCCUPANT	10981	OLSON	DR	#204	RANCHO CORDOVA	CA 95670
072-0280-018-0000	OCCUPANT	10981	OLSON	DR	#205	RANCHO CORDOVA	CA 95670
072-0280-019-0000	PATTERSON FAMILY TRUST	2270	DOUGLAS	BLVD	#111	ROSEVILLE	CA 95661
072-0280-019-0000	OCCUPANT	10971	OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#401	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#402	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#403	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#404A	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#405	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#407	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#408	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#409	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#410	RANCHO CORDOVA	CA 95670
072-0280-019-0000	OCCUPANT	10971	OLSON	DR	#414	RANCHO CORDOVA	CA 95670
072-0280-020-0000	PATTERSON FAMILY TRUST	2270	DOUGLAS	BLVD	#111	ROSEVILLE	CA 95661
072-0280-020-0000	OCCUPANT	10947	OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-021-0000	DAVID HANSON & JILL BEAMS REVOCABLE TRUST	114	ASHCAT	WAY		FOLSOM	CA 95630
072-0280-021-0000	OCCUPANT	10943	OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-022-0000	Z SQUARE ASSOCIATES LLC	920	COMANCHE	CT		CAMARILLO	CA 93010
072-0280-022-0000	OCCUPANT	11015	OLSON	DR	#1	RANCHO CORDOVA	CA 95670
072-0280-022-0000	OCCUPANT	11015	OLSON	DR	#2	RANCHO CORDOVA	CA 95670
072-0280-022-0000	OCCUPANT	11015	OLSON	DR	#3	RANCHO CORDOVA	CA 95670
072-0280-022-0000	OCCUPANT	11015	OLSON	DR	#6	RANCHO CORDOVA	CA 95670
072-0280-022-0000	OCCUPANT	11015	OLSON	DR	#8	RANCHO CORDOVA	CA 95670
072-0280-022-0000	OCCUPANT	11015	OLSON	DR	#10	RANCHO CORDOVA	CA 95670
072-0280-023-0000	PATTERSON FAMILY TRUST	2270	DOUGLAS	BLVD	#111	ROSEVILLE	CA 95661
072-0280-023-0000	OCCUPANT	11009	OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-024-0000	COLE KO RANCHO CORDOVA CA LIMITED PARTNERSHIP	2555	E CAMELBACK	RD	#400	PHOENIX	AZ 85016

072-0280-024-0000	OCCUPANT	11051	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-035-0000	RUSSELL S HUBBARD REVOCABLE TRUST	19601	N 27TH	AVE		PHOENIX	AZ	85027
072-0280-035-0000	OCCUPANT	10830	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-051-0000	EPPAMINONDAS G JOHNSON	1555	RIVER PARK	DR	#101	SACRAMENTO	CA	95815
072-0280-051-0000	OCCUPANT	10824	OLSON	DR	#A	RANCHO CORDOVA	CA	95670
072-0280-051-0000	OCCUPANT	10824	OLSON	DR	#B	RANCHO CORDOVA	CA	95670
072-0280-051-0000	OCCUPANT	10824	OLSON	DR	#C	RANCHO CORDOVA	CA	95670
072-0280-051-0000	OCCUPANT	10824	OLSON	DR	#D	RANCHO CORDOVA	CA	95670
072-0280-052-0000	EPPAMINDAS G JOHNSON	1555	RIVER PARK	DR	#101	SACRAMENTO	CA	95815
072-0280-052-0000	OCCUPANT	10826	OLSON	DR	#A	RANCHO CORDOVA	CA	95670
072-0280-052-0000	OCCUPANT	10826	OLSON	DR	#B	RANCHO CORDOVA	CA	95670
072-0280-053-0000	GARLENV EW ESTATES VENTURE L P	9500	SW BARBUR	BLVD	#300	PORTLAND	OR	97219
072-0280-053-0000	OCCUPANT	10910	OLSON	DR	#100	RANCHO CORDOVA	CA	95670
072-0280-053-0000	OCCUPANT	10910	OLSON	DR	#120	RANCHO CORDOVA	CA	95670
072-0280-053-0000	OCCUPANT	10910	OLSON	DR	#130	RANCHO CORDOVA	CA	95670
072-0280-053-0000	OCCUPANT	10910	OLSON	DR	#140	RANCHO CORDOVA	CA	95670
072-0280-053-0000	OCCUPANT	10910	OLSON	DR	#150	RANCHO CORDOVA	CA	95670
072-0280-073-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601	MAIN	ST	#900	IRVINE	CA	92614
072-0280-073-0000	OCCUPANT	10845	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-080-0000	ZINFANDEL PLAZA		PO BOX 255588			SACRAMENTO	CA	95865
072-0280-081-0000	ZINFANDEL PLAZA		PO BOX 255588			SACRAMENTO	CA	95865
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#100	RANCHO CORDOVA	CA	95670
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#100b	RANCHO CORDOVA	CA	95670
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#101	RANCHO CORDOVA	CA	95670
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#125	RANCHO CORDOVA	CA	95670
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#103	RANCHO CORDOVA	CA	95670
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#107	RANCHO CORDOVA	CA	95670
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#200	RANCHO CORDOVA	CA	95670
072-0280-081-0000	OCCUPANT	11000	OLSON	DR	#225	RANCHO CORDOVA	CA	95670
072-0280-082-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601	MAIN	ST	#900	IRVINE	CA	92614
072-0280-082-0000	OCCUPANT	10801	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-082-0000	OCCUPANT	10819	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-082-0000	OCCUPANT	10821	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-082-0000	OCCUPANT	10825	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-082-0000	OCCUPANT	10829	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-083-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601	MAIN	ST	#900	IRVINE	CA	92614
072-0280-083-0000	OCCUPANT	10831	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-083-0000	OCCUPANT	10833	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-084-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601	MAIN	ST	#900	IRVINE	CA	92614
072-0280-084-0000	OCCUPANT	10841	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-084-0000	OCCUPANT	10843	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-084-0000	OCCUPANT	10845	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-084-0000	OCCUPANT	10849	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-084-0000	OCCUPANT	10853	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-084-0000	OCCUPANT	10855	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-084-0000	OCCUPANT	10857	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-085-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601	MAIN	ST	#900	IRVINE	CA	92614
072-0280-085-0000	OCCUPANT	10907	OLSON	DR		RANCHO CORDOVA	CA	95670
072-0280-085-0000	OCCUPANT	10907	OLSON	DR	#A1	RANCHO CORDOVA	CA	95670

072-0280-085-0000	OCCUPANT	10901 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-085-0000	OCCUPANT	10903 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-085-0000	OCCUPANT	10905 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-085-0000	OCCUPANT	10909 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601 MAIN	ST	#900	IRVINE	CA 92614
072-0280-086-0000	OCCUPANT	10921 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	OCCUPANT	10923 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	OCCUPANT	10925 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	OCCUPANT	10929 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	OCCUPANT	10927 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	OCCUPANT	10933 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	OCCUPANT	10935 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-086-0000	OCCUPANT	10937 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-087-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601 MAIN	ST	#900	IRVINE	CA 92614
072-0280-087-0000	OCCUPANT	10913 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-088-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601 MAIN	ST	#900	IRVINE	CA 92614
072-0280-088-0000	OCCUPANT	10893 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-088-0000	OCCUPANT	10897 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-088-0000	OCCUPANT	10899 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-094-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601 MAIN	ST	#900	IRVINE	CA 92614
072-0280-094-0000	OCCUPANT	10837 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0280-095-0000	PACIFIC CASTLE RANCHO CORDOVA LLC	2601 MAIN	ST	#900	IRVINE	CA 92614
072-0280-096-0000	RANCHO CORDOVA RAPS INCORPORATED	22709 RANCHO PLMRS	PL		CASTRO VALLEY	CA 94552
072-0280-096-0000	OCCUPANT	10800 OLSON	DR		RANCHO CORDOVA	CA 95670
072-0330-008-0000	BAGGIN INV LLC	60 TERRA TERESA			LAFAYETTE	CA 94549
072-0330-009-0000	BAGGIN INV LLC	60 TERRA TERESA			LAFAYETTE	CA 94549
072-0330-009-0000	OCCUPANT	2801 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-016-0000	CHOY FAMILY TRUST	277 7TH	AVE		SAN FRANCISCO	CA 94118
072-0330-016-0000	OCCUPANT	2891 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-018-0000	GENE WONG	PO BOX 2798			RANCHO CORDOVA	CA 95741
072-0330-018-0000	OCCUPANT	2817 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-018-0000	OCCUPANT	2821 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-018-0000	OCCUPANT	2823 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-018-0000	OCCUPANT	2825 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-018-0000	OCCUPANT	2827 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-018-0000	OCCUPANT	2833 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-019-0000	ZINFANDEL CENTERS LLC	PO BOX 2798			RANCHO CORDOVA	CA 95741
072-0330-019-0000	OCCUPANT	2853 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-019-0000	OCCUPANT	2855 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-021-0000	ZINFANDEL CENTERS LLC	PO BOX 2798			RANCHO CORDOVA	CA 95741
072-0330-021-0000	OCCUPANT	2881 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-022-0000	OCCUPANT	2859 ZINFANDEL	DR		RANCHO CORDOVA	CA 95670
072-0330-022-0000	ZINFANDEL CENTERS LLC	PO BOX 2798			RANCHO CORDOVA	CA 95741

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TARGET CORPORATION
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MINNEAPOLIS MN 55440

057-0253-003-0000
DICKSON LIVING TRUST
6233 COLE AVE
CARMICHAEL CA 95608

057-0253-003-0000
OCCUPANT
10723 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0253-003-0000
OCCUPANT
2720 RIESLING WAY
RANCHO CORDOVA CA 95670

057-0253-004-0000
DICKSON LIVING TRUST
6233 COLE AVE
CARMICHAEL CA 95608

057-0253-004-0000
OCCUPANT
2723 CABERNET WAY
RANCHO CORDOVA CA 95670

057-0253-004-0000
OCCUPANT
10715 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0254-006-0000
BERNADETTE & TADHG CANNIFFE
123 DWIGHT RD
BURLINGAME CA 94010

057-0254-006-0000
OCCUPANT
10732 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0254-007-0000
TADHG & BERNADETTE CANNIFFE
REVOCABLE TRST
123 DWIGHT RD
BURLINGAME CA 94010

057-0254-007-0000
OCCUPANT
10728 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0254-010-0000
SHAHID AHMAD
821 STEWART ST
FOLSOM CA 95630

057-0254-010-0000
OCCUPANT
10716 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0254-018-0000
RAMESH PITAMBER
220 HARDING BLVD #252
ROSEVILLE CA 95678

057-0254-018-0000
OCCUPANT
10701 FOLSOM BLVD
RANCHO CORDOVA CA 95670

057-0254-019-0000
RAMESH PITAMBER
220 HARDING BLVD #252
ROSEVILLE CA 95678

057-0254-019-0000
OCCUPANT
10708 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0291-013-0000
MAHDIS ABADIAN
8520 ROYALL OAKS DR
GRANITE BAY CA 95746

057-0291-013-0000
OCCUPANT
2754 MENDONCA DR
RANCHO CORDOVA CA 95670

057-0291-013-0000
OCCUPANT
10743 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0292-007-0000
JOSEPH & BETTY HORICK TRUST-
SURVIVING SPOUSE'S TRUST
6177 SAN GABRIEL PL
ROHNERT PARK CA 94928

057-0292-007-0000
OCCUPANT
2751 MENDONCA DR
RANCHO CORDOVA CA 95670

057-0292-007-0000
OCCUPANT
2749 MENDONCA DR
RANCHO CORDOVA CA 95670

057-0292-007-0000
OCCUPANT
10835 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0292-007-0000
OCCUPANT
10837 ALICANTE WAY
RANCHO CORDOVA CA 95670

057-0293-001-0000
SAC ONE
916 SILVER SPUR RD #210
ROLLING HILLS CA 90274

057-0293-001-0000
OCCUPANT
10801 FOLSOM BLVD
RANCHO CORDOVA CA 95670

057-0293-004-0000
2771 DON JUAN DR LLC
0 PO BOX 880
WEST SACRAMENTO CA 95691

057-0293-004-0000
OCCUPANT
2771 DON JUAN DR
RANCHO CORDOVA CA 95670

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057-0294-004-0000 OCCUPANT 10751 FOLSOM BLVD RANCHO CORDOVA CA 95670	057-0294-006-0000 JERNIGAN FAMILY LIVING TRUST 2525 E EL SEGUNDO BLVD #318 EL SEGUNDO CA 90245	057-0294-006-0000 OCCUPANT 10755 FOLSOM BLVD RANCHO CORDOVA CA 95670
057-0294-007-0000 AUTOZONE INC PO BOX 2198 MEMPHIS TN 38101	057-0294-007-0000 OCCUPANT 10791 FOLSOM BLVD RANCHO CORDOVA CA 95670	058-0034-008-0000 WILLIAMSON REV CRESS 425 UNIVERSITY AVE #220 SACRAMENTO CA 95825
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 101 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 102 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 103 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 104 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 105 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 106 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 107 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 108 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 109 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 110 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 111 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 112 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 113 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 114 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 115 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 116 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 117 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 118 RANCHO CORDOVA CA 95670
58-0034-008-0000 CCUPANT 10833 FOLSOM BLVD # 119 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 120 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 121 RANCHO CORDOVA CA 95670

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058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 125 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 126 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 127 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 128 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 129 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 130 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 131 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 132 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 133 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 134 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 135 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 136 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 137 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 138 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 139 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 140 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 201 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 202 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 203 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 204 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 205 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 206 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 207 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 208 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 209 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 210 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 211 RANCHO CORDOVA CA 95670

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058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 215 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 216 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 217 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 218 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 219 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 220 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 221 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 222 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 223 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 224 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 225 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 226 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 227 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 228 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 229 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 230 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 231 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 232 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 233 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 234 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 235 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 236 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 237 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 238 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 239 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 240 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 241 RANCHO CORDOVA CA 95670

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058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 245 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 246 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 247 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 248 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 249 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 250 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 251 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 252 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 301 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 302 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 303 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 304 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 305 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 306 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 307 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 308 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 309 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 310 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 311 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 312 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 313 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 314 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 315 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 316 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 317 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 318 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 319 RANCHO CORDOVA CA 95670

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058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 323 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 324 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 325 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 326 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 327 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 328 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 329 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 330 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 331 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 332 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 333 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 334 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 335 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 336 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 337 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 338 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 339 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 340 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 341 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 342 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 343 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 344 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 401 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 402 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 403 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 404 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 405 RANCHO CORDOVA CA 95670

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058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 409 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 410 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 411 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 412 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 413 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 414 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 415 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 416 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 417 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 418 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 419 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 420 RANCHO CORDOVA CA 95670
058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 421 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 422 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 423 RANCHO CORDOVA CA 95670
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058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 433 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 434 RANCHO CORDOVA CA 95670	058-0034-008-0000 OCCUPANT 10833 FOLSOM BLVD # 435 RANCHO CORDOVA CA 95670

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072-0280-017-0000 PATTERSON FAMILY TRUST 2270 DOUGLAS BLVD #111 ROSEVILLE CA 95661	072-0280-017-0000 OCCUPANT 10995 OLSON DR RANCHO CORDOVA CA 95670	072-0280-018-0000 PATTERSON FAMILY TRUST 2270 DOUGLAS BLVD #111 ROSEVILLE CA 95661
072-0280-018-0000 OCCUPANT 10981 OLSON DR #204 RANCHO CORDOVA CA 95670	072-0280-018-0000 OCCUPANT 10981 OLSON DR #205 RANCHO CORDOVA CA 95670	072-0280-019-0000 PATTERSON FAMILY TRUST 2270 DOUGLAS BLVD #111 ROSEVILLE CA 95661
072-0280-019-0000 OCCUPANT 10971 OLSON DR RANCHO CORDOVA CA 95670	072-0280-019-0000 OCCUPANT 10971 OLSON DR #401 RANCHO CORDOVA CA 95670	072-0280-019-0000 OCCUPANT 10971 OLSON DR #402 RANCHO CORDOVA CA 95670
072-0280-019-0000 OCCUPANT 10971 OLSON DR #403 RANCHO CORDOVA CA 95670	072-0280-019-0000 OCCUPANT 10971 OLSON DR #404A RANCHO CORDOVA CA 95670	072-0280-019-0000 OCCUPANT 10971 OLSON DR #405 RANCHO CORDOVA CA 95670
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072-0280-019-0000 OCCUPANT 10971 OLSON DR #410 RANCHO CORDOVA CA 95670	072-0280-019-0000 OCCUPANT 10971 OLSON DR #414 RANCHO CORDOVA CA 95670	072-0280-020-0000 PATTERSON FAMILY TRUST 2270 DOUGLAS BLVD #111 ROSEVILLE CA 95661
072-0280-020-0000 OCCUPANT 10947 OLSON DR RANCHO CORDOVA CA 95670	072-0280-021-0000 DAVID HANSON & JILL BEAMS REVOCABLE TRUST 114 ASHCAT WAY FOLSOM CA 95630	072-0280-021-0000 OCCUPANT 10943 OLSON DR RANCHO CORDOVA CA 95670
072-0280-022-0000 Z SQUARE ASSOCIATES LLC 920 COMANCHE CT CAMARILLO CA 93010	072-0280-022-0000 OCCUPANT 11015 OLSON DR #1 RANCHO CORDOVA CA 95670	072-0280-022-0000 OCCUPANT 11015 OLSON DR #2 RANCHO CORDOVA CA 95670
072-0280-022-0000 OCCUPANT 11015 OLSON DR #3 RANCHO CORDOVA CA 95670	072-0280-022-0000 OCCUPANT 11015 OLSON DR #6 RANCHO CORDOVA CA 95670	072-0280-022-0000 OCCUPANT 11015 OLSON DR #8 RANCHO CORDOVA CA 95670

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072-0280-024-0000 COLE KO RANCHO CORDOVA CA LIMITED PARTNERSHIP 2555 E CAMELBACK RD #400 PHOENIX AZ 85016	072-0280-024-0000 OCCUPANT 11051 OLSON DR RANCHO CORDOVA CA 95670	072-0280-035-0000 RUSSELL S HUBBARD REVOCABLE TRUST 19601 N 27TH AVE PHOENIX AZ 85027
072-0280-035-0000 OCCUPANT 10830 OLSON DR RANCHO CORDOVA CA 95670	072-0280-051-0000 EPPAMINONDAS G JOHNSON 1555 RIVER PARK DR #101 SACRAMENTO CA 95815	072-0280-051-0000 OCCUPANT 10824 OLSON DR #A RANCHO CORDOVA CA 95670
072-0280-051-0000 OCCUPANT 10824 OLSON DR #B RANCHO CORDOVA CA 95670	072-0280-051-0000 OCCUPANT 10824 OLSON DR #C RANCHO CORDOVA CA 95670	072-0280-051-0000 OCCUPANT 10824 OLSON DR #D RANCHO CORDOVA CA 95670
072-0280-052-0000 EPPAMINDAS G JOHNSON 1555 RIVER PARK DR #101 SACRAMENTO CA 95815	072-0280-052-0000 OCCUPANT 10826 OLSON DR #A RANCHO CORDOVA CA 95670	072-0280-052-0000 OCCUPANT 10826 OLSON DR #B RANCHO CORDOVA CA 95670
072-0280-053-0000 GARDENVIEW ESTATES VENTURE L P 9500 SW BARBUR BLVD #300 PORTLAND OR 97219	072-0280-053-0000 OCCUPANT 10910 OLSON DR #100 RANCHO CORDOVA CA 95670	072-0280-053-0000 OCCUPANT 10910 OLSON DR #120 RANCHO CORDOVA CA 95670
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072-0280-073-0000 PACIFIC CASTLE RANCHO CORDOVA LLC 2601 MAIN ST #900 IRVINE CA 92614	072-0280-073-0000 OCCUPANT 10845 OLSON DR RANCHO CORDOVA CA 95670	072-0280-080-0000 ZINFANDEL PLAZA PO BOX 255588 SACRAMENTO CA 95865
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072-0330-009-0000 BAGGIN INV LLC 60 TERRA TERESA LAFAYETTE CA 94549	072-0330-009-0000 OCCUPANT 2801 ZINFANDEL DR RANCHO CORDOVA CA 95670	072-0330-016-0000 CHOY FAMILY TRUST 277 7TH AVE SAN FRANCISCO CA 94118
072-0330-016-0000 OCCUPANT 2891 ZINFANDEL DR RANCHO CORDOVA CA 95670	072-0330-018-0000 GENE WONG PO BOX 2798 RANCHO CORDOVA CA 95741	072-0330-018-0000 OCCUPANT 2817 ZINFANDEL DR RANCHO CORDOVA CA 95670
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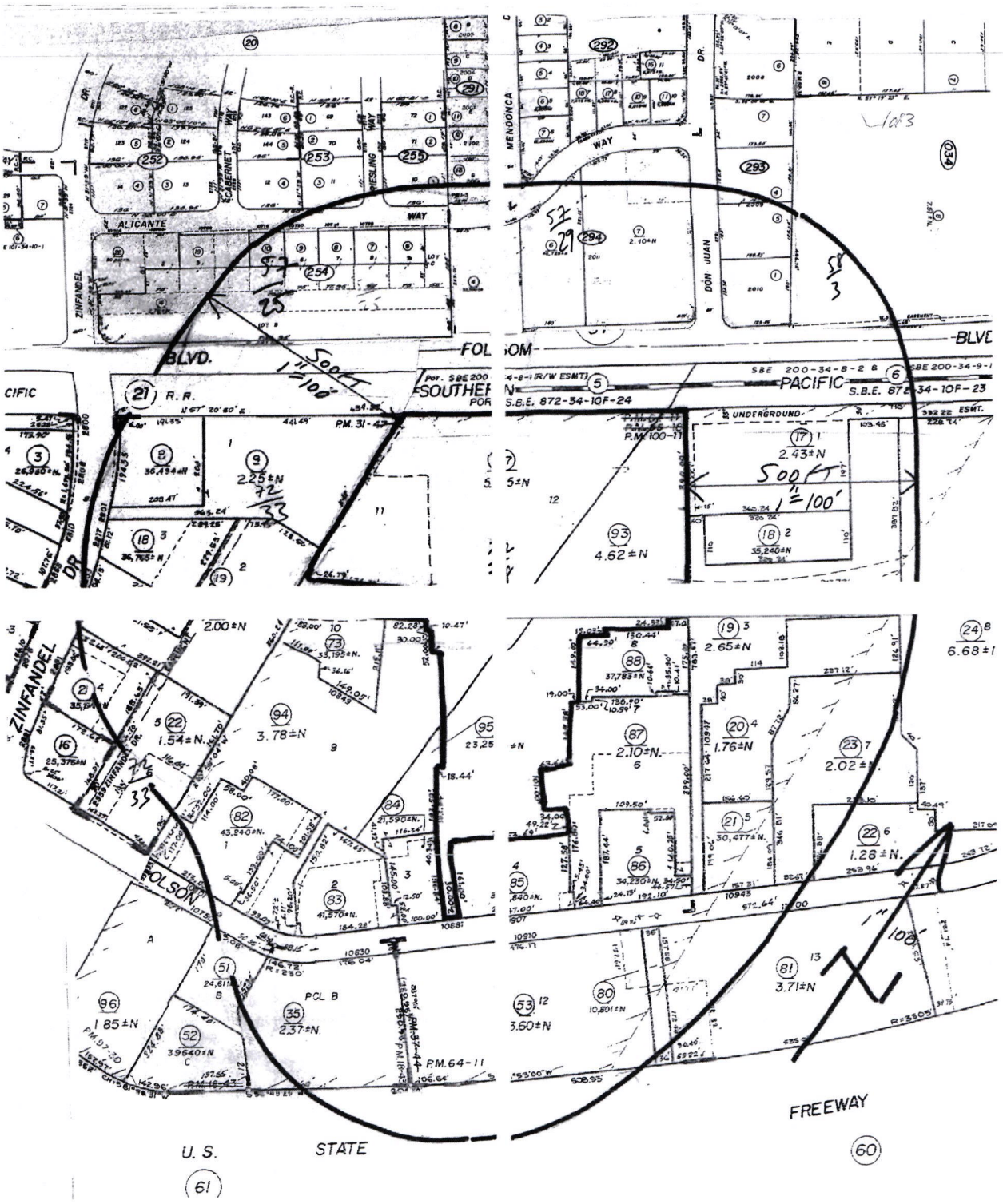
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CITY OF RANCHO CORDOVA

Minutes of Meeting of the Planning Commission
September 23, 2010

1. CALL MEETING TO ORDER

The meeting of the Planning Commission of the City of Rancho Cordova was held on Thursday, September 23, 2010 in the David B. Roberts Council Chambers located at 2729 Prospect Park Drive, Rancho Cordova, CA, 95670. Planning Commission Vice Chair Ray Savorn called the meeting to order at 6:00 p.m.

Staff Present: Planning Director, Paul Junker; Principal Planner, William Campbell; Associate Planner, Shannan Loveless; Planning Commission Clerk, Olivia Le Bel

Roll Call:

Commissioners Present: Burke, Cummings, Johnson, Konarski (present from Item 3A forward), Savorn, Smith, Vance

A. **Flag Salute** – Pledge of Allegiance was conducted.

B. **Approval of Agenda** – The Planning Commission reviewed the agenda of the September 23, 2010 Meeting of the Planning Commission.

Action: Commissioner Cummings moved, seconded by Commissioner Smith, to approve the agenda of the September 23, 2010 Planning Commission Meeting. Motion was approved unanimously.

C. **Minutes** – The Planning Commission reviewed the minutes of the September 9, 2010 Meeting of the Planning Commission.

Action: Commissioner Burke moved, seconded by Commissioner Cummings, to approve the minutes of the September 9, 2010 meeting. Motion was approved by a 5:0:1 vote.

2. PUBLIC COMMENT

There were no public comments heard at this meeting on non-agenda items.

3. PUBLIC HEARING

A. Consideration of a Conditional Use Permit and Letter Of Public Convenience and Necessity for Target, DD7021

Request: The applicant is requesting a Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) to allow the off-sale of distilled spirits, in addition to the currently permitted off-sale of beer and wine.
Project Applicant: Hinman & Carmichael LLP, Beth Aboulafia, 260 California Street, Suite 1001, San Francisco, CA 94111
Project Location: APN: 072-0280-079; 10881 Olson Drive
Recommendation: Staff recommends the Planning Commission forwarded a recommendation to the City Council to find the project will not result in a direct or reasonably foreseeable indirect physical change in the environment and is therefore exempt under Section 15061(b)(3) of the California Environmental Quality Act; and adopt a resolution approving a Conditional Use Permit and a Letter of Public Convenience and

Necessity for Target, subject to the findings contained in the Resolution, Project Description & Project Plans and Conditions of Approval.

Associate Planner, Shannan Loveless, presented the staff report and described the project and staff's recommendation to the Planning Commission.

The Commissioners had the following concerns and comments:

- Burke – Could Target increase the floor sales area of liquor, if project is approved? Loveless – We could limit the floor sales area by adding a Condition of Approval.

PUBLIC COMMENT

Sergeant Greg Johnson, Rancho Cordova Police Department (RCPD)

- RCPD opposes the project due to an overconcentration of distilled spirits licenses in the area. The Folsom Boulevard corridor has an abundance of hard liquor sales surrounding area and the light rail. We feel that the issuance of a type 21 license would increase our calls for service at the project site.
  - Cummings – What are the boundaries of census track? Sgt. Johnson – The census track does not include north of Folsom Boulevard or west of Zinfandel; it allows for three type 21 licenses. Loveless – Currently there are three active, type 21 licenses (selling of distilled spirits) and two active type 20 licenses (selling of beer and wine) including Target.
  - Smith – Is the RCPD making a direct or implied correlation that crime will increase as a result of liquor sales? What types of calls are you typically receiving from Target? Sgt. Johnson – We believe that the added sales will attract more of the homeless population and people from the light rails. Majority of calls are loss protection calls, some vehicle thefts; we cannot tell what calls are related to alcohol sales.
  - Cummings – What is your position on promotional giveaways with alcohol sales; i.e. alcohol gift-sets? Loveless – It is not Target's policy to giveaway products. Sgt. Johnson – I think it would be an appropriate Condition of Approval to add.

Beth Aboulafia, Target Representative

- We recently rebuilt and introduced the expanded market section of our store; we would like to offer customers liquor sales as a convenience. We are proposing to add a small amount of distilled spirits. The area would be smaller than our current beer and wine section. We do not have a record of calls to RCPD regarding issues from the sale of beer and wine; we do not believe that liquor sales would change this. Target has extensive security at this store. We have taken great steps to ensure that loitering and crime are not taking place in the store.
  - Johnson – Could you please clarify the amount of floor space that will be used for liquor sales? Aboulafia – much less than 1% of overall square footage will be allocated to liquor sales; approximately four to eight feet of designated aisle.
  - Cummings – Do any Target stores already selling distilled spirits use locked cabinets to display bottles? Aboulafia – No other Target stores use locked cabinets.
  - Cummings – Expressed desire to limit brands or quality of alcohol with purpose of limiting sale of "value priced liquors."
  - Savorn – Does Target plan to sell alcohol in many other locations? Aboulafia – In California Target stores, there are over 200 existing Type 20 (beer & wine) licenses, over 50 existing Type 21 (beer, wine & spirits) licenses, and over 30 pending Type 21 licenses. More Type 21 licenses are planned, especially for the Target stores with fresh grocery departments.

Mike Nard, Target Asset Protection

- Our Asset Protection Team includes one undercover on staff for 40 hours a week. We have uniformed security present for 120 hours per week; our uniformed security also patrols the parking lots. We have public-view cameras in-store and undercover.
    - Cummings – Have you had any attempted thefts of wine or mixers since 2007? Nard – Since my employment at this Target store in the opening of October 2009, we had one incident of an individual that tried to steal beer; we recovered the beer and reported the incident.

Vice Chair Savorn closed the public hearing

COMMISSION DELIBERATION AND COMMENT

Commissioner Johnson

- Sees no difference between selling only beer and wine and the addition of spirits because the intoxication is no different.
- Supports applicant's request.

Commissioner Konarski

- Cityhood's purpose was to "take back the community" in general. We should look at the community as a whole and do whatever we can to support RCPD in preventing crime.
- Does not support applicant's request.

Commissioner Cummings

- Has concern about product display, recommends use of locked cabinet for spirits. Also has concern about the sale of gift sets (e.g. a bottle packaged with a complimentary cocktail glass) that may encourage the on-site or nearby consumption of spirits. Has questions about the sales tax generated by alcohol sales at the Rancho Cordova store. Has concern that approving Target would set a precedence of approval for other licenses.

Commissioner Smith

- Expects Target would continue to be a great citizen if approved. Conditions of Approval raise comfort in supporting the applicant's request.

Commissioner Vance

- Supports RCPD and therefore cannot support the applicant's request.

Commissioner Burke

- Agrees with Commissioner Konarski.
- Does not support applicant's request.

Vice-Chair Savorn

- Has concern that denying Target's request will set a precedence of denial for future desirable businesses, such as Whole Foods or Trader Joe's.
- Does not support the addition of a locked case for spirits.
- Does not believe crime will really be affected by approving the applicant's request.
- Supports the applicant's request.

Action:

Motion: Commissioner Konarski moved, seconded by Commissioner Burke that the Planning Commission forward a denial recommendation to the City Council.

Vote on the Motion:

AYES: Burke, Cummings, Konarski
NOES: Johnson, Savorn, Smith
ABSTAIN: Vance
ABSENT: NONE

There being 3 Ayes, 3 Noes, 1 Abstain, 0 Absentee, the motion to deny failed to pass.

Action:

Motion: Commissioner Konarski moved, seconded by Commissioner Johnson that the Planning Commission forward a recommendation to approve the Conditional Use Permit and Letter of Public Convenience and Necessity to the City Council and to find the project will not result in a direct or reasonably foreseeable indirect physical change in the environment and is therefore exempt under Section 15061(b)(3) of the California Environmental Quality Act; and adopt a resolution approving a Conditional Use Permit and a Letter of Public Convenience and Necessity for Target, subject to the findings contained in the Resolution, Project Description & Project Plans and Conditions of Approval.

Vote on the Motion:

AYES: Johnson, Savorn, Smith
NOES: Burke, Cummings, Konarski, Vance
ABSTAIN: NONE
ABSENT: NONE

There being 3 Ayes, 4 Noes, 0 Abstains, 0 Absentees, the approval motion failed, therefore Planning Commission recommends to the City Council to deny the request.

B. Consideration of a Design Review for the Koreana Market Expansion, DD7019

Request: The property owner is proposing a 9,775sf addition to the existing 29,661sf Koreana Plaza Market, located in the Olson Drive shopping area. The project will add to the rear portion of the existing building, along the service corridor on the north side of the market.
Project Applicant: Patterson Family Trust, 2270 Douglas Blvd, Suite 111, Roseville, CA 95661
Project Location: APN: 072-0280-019; 10971 Olsen Drive
Recommendation: Staff recommends the Planning Commission forward a recommendation to the City Council to determine the proposed project to be Categorically Exempt, under Section 15301 of the California Environmental Quality Act and approve the design review for the addition to the Koreana Market, subject to the design plans and Draft Conditions of Approval.

Principal Planner, William Campbell, presented the staff report and described the project and staff's recommendation to the Planning Commission.

The Commissioners had the following concerns and comments:

- Cummings – What type of dock or ramp will be used for loading and unloading? Campbell – a depressed ramp will be installed; it will begin at floor level and descend.

PUBLIC COMMENT

Mark Marvelli, Project Architect

- We will be expanding into the existing store front. There will be enough separation in between stores for loading. We are in agreement with the Conditions of Approval and the project as presented.

Vice Chair Savorn closed the public hearing

Action:

Motion: Commissioner Burke moved, seconded by Commissioner Cummings that the Planning Commission forward a recommendation to the City Council to determine the proposed project to be Categorically Exempt, under Section 15301 of the California Environmental Quality Act and approve the design review for the addition to the Koreana Market, subject to the design plans and Draft Conditions of Approval.

Vote on the Motion:

AYES: Burke, Cummings, Johnson, Konarski, Savorn, Smith, Vance
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

There being 7 Ayes, 0 Noes, 0 Abstains, 0 Absentees, the motion is hereby declared to be passed.

4. REGULAR CALENDAR ITEM

A. Selection process and selection of Planning Commission Chair and Vice Chair

Planning Director, Paul Junker, discussed current selection process of Planning Commission Chair and Vice Chair which is an annual, majority vote. Planning Commission may keep this voting method or choose to rotate the Chair annually, similar to the City Council rotation. There are benefits of a Chair rotation versus an annual vote such as: each Commissioner is provided an opportunity to lead and the Chair selection process is streamlined; and prepares Commissioners to serve in other leadership roles by providing an educational opportunity.

Action:

Motion: Commissioner Smith moved, seconded by Commissioner Cummings that the Planning Commission adopt an annual Chair and Vice Chair rotation policy, based on seniority. In addition, those who have not yet served as Chair or Vice Chair will begin the rotation followed by those who have served.

Vote on the Motion:

AYES: Cummings, Johnson, Konarski, Savorn, Smith
NOES: NONE
ABSTAIN: Burke, Vance
ABSENT: NONE

There being 5 Ayes, 0 Noes, 2 Abstains, 0 Absentees, the motion is hereby declared to be passed.

5. **COMMISSION REQUEST FOR FUTURE AGENDA ITEMS**

The Commissioners had the following suggestions:

- NONE

6. **STAFF/COMMISSION COMMENTS**

The Commissioners had the following comments:

- NONE

7. **ADJOURNMENT**

There being no further business before the Planning Commission, the meeting was adjourned at 9:06 p.m., September 23, 2010, to the next scheduled meeting.

Ray Savorn, Planning Commission Vice Chair

Paul Junker, Planning Director

ATTEST:

Olivia Le Bel, Planning Commission Clerk