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

City Hall
2729 Prospect Park Drive, Rancho Cordova

Tuesday, February 26, 2013

5:30 PM – Special Meeting
American River Community Room North

AGENDA

1. WORK SESSION - CALL TO ORDER/ROLL CALL

Council Members McGarvey, Sander, Skoglund, Terry and Mayor Budge.

2. 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 item not on the agenda.

3. SPECIAL MEETING ITEMS

3.1 **Subject:** Granting the City Manager the Authority to Sign a Disposition and Development Agreement (DDA) with Urban Housing Communities (UHC), for the Horizons @ New Rancho Senior Housing Project.
Recommendation: Adopt Resolution No. 27-2013.
Result of Recommended Action: Adoption of this resolution will provide the City Manager authorization to execute the DDA with Developer for the Horizons @ New Rancho Senior Affordable Housing development. It will also authorize the commitment of funds in the form of a permanent, deferred loan for development costs and commit site control necessary for UHC to prepare a competitive Tax Credit application for project gap funding.

Staff Report: Reed Flory, Housing Division.
Advances Goals: 1, 2, 3, 5, and 6.
GROWING STRONG NEIGHBORHOODS

3.2 **Subject:** Folsom Boulevard Specific Plan Update Discussion.
Recommendation: Consider staff's presentation and identify any issues and concerns related to amending the Folsom Boulevard Specific Plan and the Convention Center Overlay District.
Result of Recommended Action: Council input will assist with defining the City Council's goals and expectations for amending the Folsom Boulevard Specific Plan and will provide direction for potential amendments to the Convention Center Overlay District of the City's Zoning Code. Based on Council direction, staff will return to the City Council at a subsequent meeting to present a scope of services, budget and schedule for completing amendments to the City's Folsom Boulevard Specific Plan and Zoning Code.
Staff Report: Paul Junker, Planning Director.
Advances Goals: 1, 2, 5 and 6.

3.3 **Subject:** Projects Adjacent to City Boundaries.

4. ADJOURNMENT

ADDITIONAL INFORMATION

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, CMC, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Tuesday, February 26, 2013 Special Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on Thursday, February 21, 2013 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 website at www.cityofranchocordova.org.

Signed Thursday, February 21, 2013 at Rancho Cordova, California.

Mindy Cuppy

Mindy Cuppy, CMC, City Clerk

MEMORANDUM

DATE: February 26, 2013

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator &
Jessica Hayes, Housing Services Assistant

SUBJECT: **DISPOSITION AND DEVELOPMENT AGREEMENT WITH URBAN HOUSING COMMUNITIES AND APPROVAL OF PERMANENT LOAN FUNDS FOR THE HORIZONS @ NEW RANCHO SENIOR HOUSING PROJECT**

RECOMMENDATION

It is recommended that the City Council adopt **Resolution 27-2013 (Attachment 1)** authorizing the City Manager to execute the **Disposition and Development Agreement (DDA**) **(Attachment 2)** with UHC 00575 Rancho Cordova, L.P., a California limited partnership ("**Developer**").

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will provide the City Manager authorization to execute the DDA with Developer for the Horizons @ New Rancho a senior, affordable housing development. It will also authorize the commitment of funds in the form of a permanent, deferred loan for development costs and provide for site control necessary for UHC to prepare a competitive Tax Credit application for project gap funding.

BACKGROUND

In July of 2008 the Rancho Cordova Community Redevelopment Agency signed a Memorandum of Understanding (MOU) with Developer to prepare projects for the redevelopment of the former Stagger Inn site. In order to facilitate redevelopment, the project was divided into two phases. Phase one was the Crossings @ New Rancho, an 18 unit affordable family housing community. The Crossings was funded primarily through Neighborhood Stabilization Program grants and Tax Credits. The project was completed in February of 2012, and is 100% occupied. Phase two is to be the Horizons @ New Rancho, a 48 unit senior affordable housing development. The original MOU that was signed in 2008 referenced both phases of the New Rancho Redevelopment project. However, the Loan Agreement that was executed in December of 2010 for the construction period of the Crossings project terminated the original MOU. The 2010 Loan Agreement was exclusively for phase one.

Subsequently, on July 2, 2012 the City and UHC entered into an Exclusive Negotiation Rights Agreement (ENRA) establishing preliminary terms for a future DDA for the remaining parcel on which the Horizons project will be developed. This ENRA permitted the City and Developer to submit an application to the State Department of Housing and Community Development for a

HOME grant. Unless extended or earlier terminated, the term of the ENRA ends with the earlier of the execution of a DDA or March 1, 2013,

This DDA would terminate the ENRA but continue the City commitment to working with Developer on phase two of the New Rancho Redevelopment Project. It would also provide both evidence of a funding commitment for the development and proof of site control for the property located at 2738 Woodberry Way for the upcoming Tax Credit application to be submitted to the California Tax Credit Allocation Committee on or before March 6th, 2013.

In order to make a competitive application for Tax Credits, the City and Developer have prepared building permit-ready plans and specifications for the project. This includes complete architectural and engineering plans, landscape plans, local approvals, and utility applications. The City recently won a Local Housing Trust Fund Grant from the State of California. Those monies together with City matching funds from the Very Low Income Housing Trust Fund will make up "gap funding" in the amount of $1,800,000 and will be part of a deferred, permanent loan to the Developer. Additionally, before its demise, the Redevelopment Low and Moderate Income Housing fund together with City non-residential linkage funds were used to assist the project. These funds were used to assemble land (including eminent domain action involving the Stagger Inn), acquire and relocate remaining Woodberry Apartments residents and to demolish all structures including the removal of hazardous materials. Funding for these predevelopment activities totaled approximately $1,485,166. The City will combine predevelopment and gap funding into a single, deferred permanent loan of approximately $3,285,166 for a term of 55 years, at no interest.

These loan and site control commitments from the City together with Developer performance requirements are detailed in the DDA. If the proposed Tax Credit application is successful, staff expects a construction loan closing and construction start in the fourth quarter of 2013 with occupancy expected in the third quarter of 2014.

Similar to the Crossings project, the Horizons @ New Rancho senior housing project would be owned by Developer, and would be governed by a regulatory agreement with the City of Rancho Cordova committing the units to remain affordable to seniors at and below 50% of the area median income.

ATTACHMENTS

1. Resolution 27-2013.
2. Disposition and Development Agreement (DDA).

ATTACHMENT 1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 27-2013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING EXECUTION OF A DISPOSITION AND DEVELOPMENT AGREEMENT WITH UHC 00575 RANCHO CORDOVA, L.P. WITH REGARD TO CITY PROPERTY AT APN: 057-0221-022 AS DESCRIBED IN EXHIBIT "A" TO THIS RESOLUTION

WHEREAS, the City Council of the City of Rancho Cordova ("City") approved and adopted a Redevelopment Plan for the Community Redevelopment Agency of the City of Rancho Cordova ("Redevelopment Plan") covering certain properties within the City ("Project Area"), pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq*.) (the "CRL"); and

WHEREAS, the Community Redevelopment Agency of Rancho Cordova ("Agency") was a redevelopment agency engaged in activities to execute and implement the Redevelopment Plan pursuant to the CRL; and

WHEREAS, pursuant to California Health and Safety Code Section 34176(a)(1), on January 17, 2012, the City Council of the City of Rancho Cordova ("City Council") adopted Resolution No. 7-2012, whereby the City elected to retain the housing assets and functions of the Community Redevelopment Agency of the City of Rancho Cordova ("Agency') upon the dissolution of the Agency, effective February 1, 2012, pursuant to Assembly Bill x1 26 enacted by the California Legislature and upheld by the California Supreme Court in California Redevelopment Association, et al. v. Ana Matosantos, et al. The City thereby became the designated Housing Successor to the former Agency; and

WHEREAS, the Oversight Board to the Successor Agency of the Community Redevelopment Agency of the City of Rancho Cordova on April 17, 2012 affirmed the transfer of housing functions, assets, and responsibilities to the City in Oversight Board Resolution OB 2-2012. This included the Property which was originally purchased in part with funds from the Agency's Low-Mod Housing Fund; and

WHEREAS, on October 14, 2012, pursuant to Health and Safety Code Section 34176(a)(2), the City submitted to the California Department of Finance ("DOF") a list of housing assets, including that certain real property consisting of approximately 1.07 acres located in the City of Rancho Cordova, identified as Sacramento Assessor's Parcel 057-0221-022, and more particularly described in Exhibit A attached hereto (the "Property"). On November 7, 2012, the DOF responded with an analysis of the housing assets, and did not dispute the City's claim that the real property listed was a housing asset; however the DOF required the remittance of unencumbered Low and Moderate Housing funds, and all requested unencumbered Low and Moderate Housing funds were remitted to the County of Sacramento as per DOF's findings on November 14, 2012; and

WHEREAS, the City, as the holder of title to the Property, has identified UHC 50075 Rancho Cordova, L.P., a California limited partnership (the "Developer") as a potential developer of the Property for development of up to 48 units of affordable senior rental housing (the "Project") on the Property; and

WHEREAS, the UHC intends to seek a Tax Credit award from the California Tax Credit Allocation Committee (CTCAC); and

WHEREAS, CTCAC requirements for a Tax Credits award include acceptable evidence of site control and funding commitments; and

WHEREAS, the City desires to enter into a Disposition and Development Agreement ("DDA") with the Developer for development of the Project on the Property; and

WHEREAS, the Project is subject to compliance with the National Environmental Policy Act ("NEPA"). On December 3, 2010, after reviewing the Project's potential environmental impacts, the Department of Housing and Urban Development ("HUD") published a Finding of No Significant Impact to satisfy NEPA's requirements. Thus, the Project complies with NEPA's requirements; and

WHEREAS, the Project is exempt from the California Environmental Quality Act ("CEQA") under the categorical exemption for in-fill development projects (CEQA Guidelines § 15332). Even if the Project were not exempt from CEQA, no additional environmental review would be required because the Project is consistent with the City's General Plan, the Folsom Boulevard Specific Plan, and the City's Zoning Code, all of which were subject to CEQA review (CEQA § 21083.3 and CEQA Guidelines § 15183). There are no impacts peculiar to this Project that have not already been analyzed in previous environmental documents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AS FOLLOWS:

Section 1 The City Council finds that the Project is exempt from CEQA under CEQA Guidelines Section 15332, In-Fill Development. The City Council further finds that the Project is consistent with the City's General Plan, the Folsom Boulevard Specific Plan, and the City's Zoning Code. The City certified an Environmental Impact Report ("EIR") for the General Plan and conducted additional environmental review for the Folsom Boulevard Specific Plan and the Zoning Code. The City Council finds that there are no environmental impacts peculiar to the Project that have not been analyzed in previous environmental documents; therefore, no additional environmental review is required.

Section 2 The City Council authorizes the City Manager, on behalf of the City, to execute a DDA with the Developer, substantially in the form on file with the City Clerk, and to execute such other instruments and to take such other actions as necessary to carry out the intent of this Resolution.

Section 3 The City Council also authorizes the City Manager, on behalf of the City, to approve expenditure of grant funds and the conversion of appropriate predevelopment funding already spent on the Project for the purpose of providing a deferred, permanent loan for the Project, provided that the City and Developer execute loan documents in form and content acceptable to the City Attorney.

Section 4 If any provision, sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

Section 5 The above recitals are true and correct. The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the above City Council action.

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PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this ____ day of __________, 2013, by the following votes:

AYES:

NOES:

ABSENT

ABSTAIN:

____
Linda Budge, Mayor

ATTEST:

____
Mindy Cuppy, CMC, City Clerk

ATTACHMENT 2

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

THE CITY OF RANCHO CORDOVA

and

UHC 00575 Rancho Cordova L.P.,

A California limited partnership

Horizons at New Rancho

_______________, 2013

Exhibits

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this "**Agreemen**t") is entered into effective as of ____________, 2013 ("**Effective Date**") by and between the City of Rancho Cordova, a California municipal corporation, ("**City**") and UHC 00575 Rancho Cordova L.P., a California Limited Partnership ("**Developer**"). City and Developer are hereinafter individually referred to as "**Party**" and collectively referred to as the "**Parties**."

RECITALS

A. Pursuant to California Health and Safety Code Section 34176(a)(1), on January 17, 2012, the City Council of the City of Rancho Cordova ("**City Council**") adopted Resolution No. 7-2012, whereby the City elected to retain the housing assets and functions of the Community Redevelopment Agency of the City of Rancho Cordova ("**Agency**') upon the dissolution of the Agency, effective February 1, 2012, pursuant to Assembly Bill x1 26 enacted by the California Legislature and upheld by the California Supreme Court in *California Redevelopment Association, et al. v. Ana Matosantos, et al*. The City thereby became the designated Housing Successor to the former Agency.

B. On April 17, 2012, the Oversight Board of the Rancho Cordova Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova, adopted Resolution No. OB 2-2012, whereby the Oversight Board acknowledged and approved of the transfer of housing assets, obligations and functions from the former Agency to the City as Housing Successor.

C. On October 14, 2012, pursuant to Health and Safety Code Section 34176(a)(2), the City submitted to the California Department of Finance ("**DOF**") a list of housing assets, including that certain real property consisting of approximately 1.07 acres located in the City of Rancho Cordova, identified as Sacramento Assessor's Parcel 057-0221-022, and more particularly described in <u>Exhibit A</u> attached hereto (the "Property"). On November 7, 2012, the DOF responded with an analysis of the housing assets, and did not dispute the City's claim that the real property listed was a housing asset, however the DOF did require the remittance of un-encumbered Low and Moderate Housing funds. All requested un-encumbered Low and Moderate Housing funds were remitted to the County of Sacramento as per DOF's findings on November 14, 2012. As per AB 1484, the remittance of requested funds acts as a finalizing marker in the implementation of AB 1484's housing asset requirements. City owns fee simple title to the Property

E. On July 2, 2012, the Parties executed that certain Exclusive Negotiating Rights Agreement ("**ENRA**") establishing preliminary terms for a possible DDA. The term of the ENRA terminates upon the earlier of execution of the DDA or March 1, 2013, unless extended or earlier terminated. Except with respect to Developer's proposed financing utilizing HOME Investment Partnership Program Funds, the essential terms of the ENRA remain applicable and the ENRA is incorporated by reference herein.

F. City desires to cause the development of the Property with up to forty-eight (48) units of multi-family senior rental housing affordable at very-low income (not to exceed fifty percent (50%) of Area Median Income) and extremely low-income (not to exceed thirty percent (30%) of Area Median Income)levels. Developer has proposed developing same on the

Property, to include Developer's best efforts to develop the housing building as a net zero energy building with the amenities set forth herein (the "**Project**"). .The Project particularly described in Section 5.2 herein and in an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants ("**Regulatory Agreement**"), attached hereto as Exhibit F, that shall be executed substantially concurrently herewith and recorded against the Property and the Project.

G. On November 6, 2006 the City adopted Ordinance 57-2006, establishing the Folsom Boulevard Specific Plan ("FBSP"), amending the Zoning Code, and amending the Zoning Code map designations for the properties within the Sunrise Boulevard South Planning Area, the Downtown Planning Area and Convention Overlay District. It was determined that the certified Environmental Impact Report prepared for the adopted General Plan was found to adequately address all significant environmental impacts associated with the adoption of the FBSP, the Zoning Code amendment, and Zoning Code map amendment, and therefore no additional environmental review was necessary pursuant to California Environmental Quality Act ("CEQA") Guidelines 15183(a) and California Public Resources Code Section 21083.3. Subsequently, amendments to the FBSP were analyzed under a Mitigated Negative Declaration (MND) and a Notice of Determination was filed for the MND on June 19, 2008. The City has completed an environmental review of the project and has determined that the project is consistent with previously prepared environmental review and is also Categorically Exempt under Section 15332, In-Fill Development."

H. Financing for the Project is addressed in Article VI herein.

I. The purpose of this Agreement is to effectuate the Redevelopment Plan for the Rancho Cordova Project Area, the Rancho Cordova General Plan and the Specific Plan. The City has determined that development of the Property with the Project will be of benefit to the Rancho Cordova Project Area and the City as a whole, and will increase the City's supply of affordable housing stock and assist in the elimination of blight.

J. A material inducement to the City to enter into this Agreement is the agreement by Developer to develop the Project within the time periods specified herein and in accordance with the provisions hereof, and the City would be unwilling to enter into this Agreement in the absence of an enforceable commitment by Developer to complete the Project in accordance with such provisions and within such time periods, subject to the terms and conditions set forth herein.

K. In connection with this Agreement, Developer shall execute such documentation as City shall reasonably require in connection with Project financing, and the Regulatory Agreement, which shall require Project rents to be affordable to households whose incomes do not exceed fifty percent (50%) of Area Median Income for a term of not less than fifty-five (55) years. This Agreement, the Memorandum of DDA attached hereto as Exhibit B, all City Project financing documents and the Regulatory Agreement are collectively hereinafter referred to as the "**City Documents**."

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 "**Certificate of Completion**" is defined in Section 5.15.

1.2 "**City**" is defined in the Preamble.

1.3 "**City Council**" is defined in Recital A.

1.4 "**City Documents**" is defined in Recital K.

1.5 "**Claims**" is defined in Section 5.17.

1.6 "**Conditions of Approval**" is defined in Section 5.2.

1.7 "**Construction Plans**" is defined in Section 5.11.

1.8 "**Environmental Laws**" is defined in Section 10.4.

1.9 "**Financing Plan**" is defined in Section 5.7.

1.10 "**Hazardous Materials**" is defined in Section 10.3.

1.11 "**Improvements**" is defined in Section 5.2.

1.12 "**Indemnitees**" is defined in Section 5.17..

1.13 **"Official Records**" means the Official Records of Sacramento County.

1.14 "**Project**" is defined in Recital B and further described in Section 5.2.

1.15 "**Regulatory Agreement**" is defined in Recital F.

1.16 "**Transfer**" is defined in Section 8.2.

ARTICLE II

REPRESENTATIONS; EFFECTIVE DATE; MEMORANDUM.

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. Developer is a limited partnership, duly organized and in good standing under the laws of the State of California. 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 substantially in the form attached hereto as Exhibit B which shall be recorded in the Official Records promptly upon execution of this Agreement. The City will not withhold consent to reasonable requests for subordination of the Memorandum to deeds of trust, regulatory agreements and related documents provided for the benefit of Project lenders approved pursuant to the Financing Plan provided that the instruments effecting such subordination include reasonable protections to the City in the event of default.

ARTICLE III

CONDITIONS PRECEDENT TO CONVEYANCE OF LAND

3.1 Conditions Precedent. City shall convey the Property to Developer in accordance with Article IV following Developer's satisfaction of the conditions set forth in this Agreement and within the time limits specified in the Development Schedule attached hereto as Exhibit E, unless such time is extended by the City at the discretion of the City Manager.

3.2 Scope of Development. Developer's proposed Scope of Development includes the Improvements and amenities set forth in Section 5.2. Pursuant to Resolution No. 75-2012, the City Council has approved the Design Review for the Project, attached hereto as Exhibit G. By execution of this Agreement, City hereby approves the Scope of Development.

3.3 Financing Plan. As set forth in the attached Exhibit D and more particularly described in Section 5.7, Developer has provided City with a Financing Plan for the Project ("**Financing Plan**").

ARTICLE IV

DISPOSITION OF THE PROPERTY

4.1 Purchase and Sale. Provided that all conditions precedent set forth in this Agreement have been satisfied, City shall convey to Developer the fee interest in the Property in accordance with and subject to the terms and conditions of this Agreement, free and clear of all title defects, liens and encumbrances except: (a) the provisions and effect of the Rancho Cordova Redevelopment Plan; (b) the provisions and effect of this Agreement; (c) liens for nondelinquent taxes, assessments, and/or bonds; (d) title exceptions set forth in the Preliminary Title Report for the Property issued by Fidelity National Title Company and dated as of February 5, 2013; and (e) such other conditions, liens, encumbrances, restrictions, easements and exceptions as Developer may approve in writing (all of the foregoing collectively referred to as the "**Permitted Exceptions**"). Following the Effective Date, absent the consent of Developer, City shall not cause or voluntarily agree to allow a lien or other encumbrance which would remain effective following conveyance of the Property to attach to the Property.

4.2 Purchase Price. The purchase price for the Property shall be One Million Two Hundred Thirty-Seven Thousand Two Hundred Twenty-Two Dollars And No Cents ($1,237,222.00) ("**Purchase Price**").

4.3. Escrow. Escrow shall be open at the office of Fidelity National Title Company, 11050 Olson Drive, Suite 200, Rancho Cordova, CA 95670 , attention Paul Avila ("**Title Company**" or "**Escrow Agent**") in order to consummate the conveyance of the Property to Developer and the closing of escrow ("**Closing**") for the transactions contemplated hereby.

4.4 Costs of Closing and Escrow. City shall pay all costs associated with removing any debt encumbering the Property and for all title insurance premiums for policies City may elect to acquire for the Property. All other Closing and Escrow costs, including without limitation all title insurance premiums for policies Developer elects to acquire, shall be paid by Developer.

4.5 Escrow Instructions; Recordation of Documents. City and Developer shall furnish Escrow Agent a copy of this Agreement, which together with such supplemental instructions as City or Developer may agree upon in writing, shall serve as Escrow instructions for the conveyance of the Property. Not later than one day prior to the Closing Date, Developer shall deposit into Escrow the Purchase Price, together with the balance of any other funds Developer is obligated to pay hereunder. Not later than one day prior to the Closing Date, provided that all conditions precedent to conveyance have been satisfied, City shall deposit into Escrow an executed grant deed ("**Grant Deed**") conveying the Property to Developer. On the Closing Date, Escrow Agent shall cause the following documents to be recorded in the Official Records of Sacramento County in the following order: (i) the Regulatory Agreement, (ii) the Memorandum of DDA, and (iii) the Grant Deed.

4.6. City's Conditions to Closing. City's obligation to proceed with the Closing is subject to satisfaction or waiver by the City of all of the following conditions:

a. No Default. Developer shall not be in Default under the terms of this Agreement, and all representations and warranties of Developer shall be true and correct in all material respects.

b. Execution of Documents. Developer shall have executed and acknowledged the Regulatory Agreement, the Memorandum of DDA, and all other documents required hereunder, and shall have delivered all such documents to City or into Escrow.

c. Satisfaction of Conditions Precedent. Developer shall have satisfied the conditions set forth in Article III.

4.7 Developer's Conditions to Closing. Developer's obligation to proceed with the Closing is subject to satisfaction or waiver by Developer of the following conditions:

a. No Default. City shall not be in Default under the terms of this Agreement, and all representations and warranties of City contained herein shall be true and correct in all material respects.

b. Execution of Documents. City shall have executed and acknowledged the Grant Deed, the Regulatory Agreement and the Memorandum of DDA, and all other documents required hereunder, and shall have delivered such documents into Escrow.

c. Developer's Title Policy. The Title Company shall, upon payment of the premium therefor by Developer, be ready to issue an Owner's ALTA title policy for the benefit of Developer, showing title to the Property vested in Developer, subject only to the Permitted Exceptions and including such endorsements as Developer may reasonably request.

d. Consent to Disbursement of Funds. The Developer's receipt of written approval from the City that the Conditions to Disbursement of Funds set forth in Sections 6.4(a)(i) through 6.4(a)(vi) have been met by the Developer.

ARTICLE V

DEVELOPMENT OF THE PROJECT

5.1 The Property. City represents and warrants that as of the Effective Date: (i) City 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.

5..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 entity 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, 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 a three-story, slab on grade building with an elevator and double loaded corridors. To the maximum extent possible, all Parking will be covered. The forty-eight (48) units shall be comprised of forty-one (41) single bedroom units, six (6) two-bedroom units, and one (1)one-bedroom manager's unit. The building will include laundry facilities on each floor, a community room and common area quiet spaces. The building façade will include architectural features to preclude a manufactured housing appearance and to appear complimentary to the exterior appearance of the contiguous Crossings at New Rancho project. Developer will use best efforts to achieve a net-zero energy building; extensive use of solar panels on parking coverage and building roof; energy recapture technology; energy efficient fixtures and appliances; maximum utilization of LED lighting technology; gardening space; and open outdoor areas that provide residents with a range of activities. 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.

5.3 Affordable Housing for Seniors. 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 an affordable multi-family senior rental housing project 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 one hundred percent (100%) (not including the Manager's unit) of the residential units in the Project 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 . Minimum age restriction for the proposed senior occupancy shall be fifty-five (55) years of age.

5.4 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 City 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 building permits required for such work.

City staff shall work cooperatively with Developer to assist in coordinating the expeditious processing and consideration of all permits, entitlements and approvals necessary for development of the Project.

5.5 Fees. Subject to the approval of the financing subsidies identified in the Financing Plan, 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.

5.6 Cost of Construction. Except as expressly set forth herein, after the Effective Date, Developer shall be solely responsible for all direct and indirect costs and expenses incurred in connection with 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 initial ALTA survey, land assemblage, relocation, lot-line adjustment, initial market study and environmental clearance including additional environmental studies that may be required.

5.7. Financing Plan. As set forth in the attached Exhibit D, 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 in a form and content to provide sufficient detail to satisfy the requirements of Developer's proposed Tax Credit Allocation Committee ("**TCAC**") application. The Financing Plan may be the proposed TCAC proforma to be submitted with the TCAC application. Developer shall update the Financing Plan throughout the term of this Agreement to reflect any changes in the TCAC application proforma. Developer shall provide prior written notice to the City of any material proposed modifications. If the City fails to approve of any such modification within fifteen (15) calendar 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 approved by the City. The City agrees not to unreasonably withhold consent to proposed modifications to the Financing Plan.

Consistent with the Financing Plan, Developer shall apply for an allocation of nine percent (9%) California low-income housing tax credits. Developer shall submit to the City a copy of Developer's application for tax credits for the Project concurrently with Developer's submittal of such applications to TCAC. The TCAC application shall reflect the current City-approved Financing Plan including a current schedule of sources and uses and updated development and operating pro formas, accompanied by evidence that all Project financing has been firmly committed by Developer, or lending institutions, subject only to commercially reasonable conditions or allocation(s) for low-income housing tax credits from TCAC. Additionally, Developer shall provide City with copies of draft and final copies of its Tax Credit Investor Agreement and it will obtain written approval from the City of the pay-in schedule of all tax credit equity proceeds.

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

Developer shall also cooperate in the resubmittal of the nine percent (9%) application for grant funding. It is anticipated that a competitive application will require that the Developer has completed design review, submitted project plans sufficient for plan check and received a letter from the City stating that "but for the payment of required City, School District, and related fees the City is ready to issue building permits."

5.7.1 Failure of 9% Tax Credit Application to Win Award. Failure of the Developer to receive an allocation of nine percent (9%) tax credit award by June 12, 2013 (or such date as Round #1-2013 TCAC awards are announced) will result in a resubmittal of the nine percent (9%) tax credit application in July of 2013 or later if the schedule changes. If at the end of the second attempt to receive an allocation of nine percent tax credits 9% tax credits there is no award, Developer and City agree to meet and discuss alternative financing options which may include an application for HOME funds. If there is no mutually agreeable alternate grant funding source or sources identified, the City at its sole discretion, may terminate this DDA, retain all rights to the land and take assignment of all work products derived from the City's Predevelopment Funding.

5.8 Development Schedule (9% Tax Credit Scenario). Developer shall commence and complete plan development and construction of the Project and shall satisfy all other obligations of Developer under this Agreement within the time periods set forth herein and as described in the attached Development and Performance Schedule attached as Exhibit E hereto, 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 later of : (i) October 15, 2013, or (ii) the earliest date as may be permitted by TCAC. 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 twelve (12) months from the commencement of construction or such earlier date as may be required by TCAC. 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 5.8 and Exhibit E shall be an Event of Developer Default hereunder.

5.9 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 5.17 (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.

5.10 City Disclaimer. Developer acknowledges that City shall have the right to monitor, review, supervise, or inspect the progress of construction or the operation of the Project. Notwithstanding such right, Developer and all third parties shall rely on 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.

5.11 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. Provided that the Construction Plans are consistent with the requirements of this Agreement, approval of the Construction Plans by City staff shall be deemed approval thereof by City.

5.12 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 entity 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 entity having jurisdiction. All design and construction work on the Project shall be performed by licensed contractors, engineers or architects, as applicable.

5.13 Changes in Construction Plans. If Developer desires to make any material change in the approved Construction Plans, Developer shall submit the proposed change in writing to City in accordance with its standard review process. Approval of changes to the Construction Plans by City shall be deemed approval thereof by City. Nothing in this Section is intended to or shall be deemed to modify the City's standard plan review procedures.

5.14 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 3.14, 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 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 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 pursuant to this Section 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 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, a Controlled Affiliate or an entity controlled by or under common control with Developer. 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.

5.15 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.

5.16 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.

5.17 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*., the Davis-Bacon Act, and the regulations adopted pursuant to each of them, as the same may be applicable to the Project ("**Prevailing Wage Laws**"), and shall be responsible for carrying out the requirements of such provisions. Developer, at its own expense, shall prepare and obtain approval from the City of a plan for monitoring, enforcing and reporting on the payment of prevailing wages. This plan shall describe penalties, approved by the City, for the Contractor if it fails to implement said plan and to satisfy on a timely basis the reporting requirements included in said plan.

Subject to the last sentence of this paragraph, Developer shall indemnify, defend (with counsel approved by City) and hold the City, and its respective 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, 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 5.17 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 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 shall only apply to work performed by or on behalf of Developer or any entity affiliated with Developer, including without limitation, a Controlled Affiliate or an entity controlled by or under common control with Developer.

5.18 Compliance with 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 whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that City 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 5.18 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project.

5.19 Liens and Stop Notices. Until the expiration of the term of the Regulatory Agreement, 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. The provisions of this Section 5.19 shall apply from and after Developer's acquisition of a fee simple interest in the Property.

5.20 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 5.19 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. 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.

5.21 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 and the City as co-obligees. 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.

5.22 Insurance Requirements.

Developer shall maintain and shall cause its contractors to maintain all applicable insurance coverage specified in Article XII.

5.23 Shared Operations.

Developer has developed contemporaneously a nearby but separate eighteen (18)-unit low-income housing project (the "**Crossings at New Rancho"**) pursuant to that certain Loan Agreement dated December 2, 2010 between City and UHC 00516 Rancho Cordova, L.P. If the Project is completed, Developer agrees to use best efforts to create economies by utilizing shared operations contracts for maintenance, security, property management and related functions for the Project and Crossings at New Rancho.

ARTICLE VI

CITY FINANCIAL ASSISTANCE

6.1 City Permanent Loan. City agrees to provide a permanent loan to Developer from a combination of sources including the City's Local Housing Trust Funds to be used primarily as "gap" financing in an amount not to exceed One Million Eight Hundred Thousand Dollars and No Cents ($1,800,000.00), and from other sources totaling One Million Four Hundred Eighty-Five Thousand and One Hundred Sixty-Six Dollars and No Cents ($1,485,166) which monies, as of the Effective Date, have been used exclusively for payment of "predevelopment expenses" incurred by the City. The permanent loan in the amount of Three Million Two Hundred Eighty-Five Thousand One Hundred Sixty-Six Dollars And No Cents ($3,285,166) is made for development of the Project upon the terms and conditions and for the purposes set forth in this Agreement ("**Permanent Loan**"). All funds identified herewith will comprise the permanent financing and shall have such terms and conditions as are described in the Regulatory Agreement attached hereto as Exhibit F. The Permanent Loan shall be evidenced by a Secured Promissory Note in the amount of Three Million Two Hundred Eighty-Five Thousand One Hundred Sixty-Six Dollars and No Cents ($3,285,166) ("**Permanent Note**"), dated as of the Closing date for the Permanent Loan and executed by Developer in form satisfactory to City. The Permanent Note shall be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "**Deed of Trust**") executed by Developer as

Trustor for the benefit of City in form satisfactory to City and recorded against the Property. Provided that Developer has complied with all conditions precedent to disbursement of the Permanent Loan, the proceeds of the Permanent Loan ("**Permanent Loan Proceeds**") shall be disbursed pursuant to this Agreement. The outstanding principal balance of the Permanent Loan shall be due and payable in full in fifty-five (55) years from issuance of the Project Certificate of Completion for the Project, at zero percent (0%) interest. Annual payments shall be due and payable on a residual receipts basis. The entire outstanding principal balance of the City's Permanent Loan Funds shall be payable in full on fifty-fifth (55^{th}) anniversary of the date of issuance of the final certificate of occupancy for the Project. Funds over eligible basis as defined in Section 42 of the Internal Revenue Code will be deemed to be a grant and not a loan. The and the Deed of Trust are referred to collectively as the "**Permanent Loan Documents**."

6.2 City Funds. All funds provided by City to Developer for the Project, whether denominated as Predevelopment Funds, Permanent Financing, or otherwise, are collectively referred to herein as "**City Funds**".

6.3 Use and Disbursement of City Deferred Permanent Loan, Conventional Debt-serviced Permanent Loan, , and Tax Credit Equity Funds (collectively, the **"Project Funding")**. Project Funding shall be used solely to fund specific development activities associated with the Project (in an amount and for only such development activities as are approved for funding by the City and granting agencies) and to fund construction of the Project consistent with the approved Financing Plan, as it may be updated By Developer with City's approval. . All uses of Project Funding shall follow federal and State procurement rules as required by the City and granting agencies. Developer shall also inform City and TCAC, as applicable, of proposed withdrawals from Project operation accounts thirty (30) days prior to making withdrawals.

6.4 Conditions to Disbursement Funds. City's obligation to disburse remaining City Permanent Loan Funds is conditioned upon the satisfaction of all of the following conditions:

(a) For funding prior to commencement of construction ("**Predevelopment Phase**"):

(i) Developer's execution and delivery to City of this Agreement, the Memorandum of DDA, the Regulatory Agreement, and the Predevelopment Loan Documents, and recordation of the Memorandum of DDA and Regulatory Agreement in the Official Records.

(ii) Developer's delivery to the City of evidence of property and liability insurance coverage in accordance with the requirements set forth herein.

(iii) 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.

(iv) 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.

(v) City's written agreement to the costs and schedule of products represented in the Predevelopment phase of the Financing Plan attached as Exhibit D. Such costs shall be consistent with and support the initial draft of the total Project Financing Plan.

(vi) City's receipt of a written requisition from Developer specifying the amount and use of the requested funds, accompanied by copies of third-party invoices for services rendered or to be rendered in connection with the Project (accompanied by or to be followed by evidence of payment of such invoices, as applicable), and such other documentation as City shall reasonably require, including without limitation, cost certification as to the expenses incurred. All such requisitions shall be preceded by written request from Developer to City for consideration of the specific Predevelopment cost. For those costs and expenses not included in Predevelopment budget approved by the City, the City must provide written approval before Developer may incur such cost or expense.

(b) For funding during the Construction period **("Construction Phase")**, in addition to continuing the aforementioned conditions of disbursement, the following are additional requirements for funding requests on or after Commencement of Construction:

(i) Prior to construction loan closing, City's written agreement to the updated Financing Plan to be attached as an amendment to Exhibit D reflecting all Project costs, all sources of Project funding, the operating budget and any other schedules, narratives or products required by the City. The Financing Plan shall reflect the funding and underwriting requirements of all lenders and grant programs funding the costs of the Construction Phase of the Project. The amended Financing Plan shall provide evidence for an orderly transition to the permanent loan phase of the project.

(ii) Prior to construction loan closing, City's written acknowledgement that Developer has maintained the performance as anticipated in the development schedule described in the attached Exhibit E.

(iii) 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; City's approval of the final plans and specifications for the Project; Developer's delivery to City evidence reasonably satisfactory to City that Developer has secured TCAC tax credits and any other binding commitments, subject only to commercially reasonable conditions, for all required Project construction and permanent financing; and in addition to items described in (i) and (ii) above, Developer's delivery to City and City approval of all of the following: (1) performance bonds or other assurance of completion reasonably acceptable to City pursuant to the requirements set forth in Section 3.21; (2) any modification to the construction schedule; and (3) copies of such other documents related to the financing of the Project as City may reasonably request, including cost certification as to the expenses incurred.

6.5 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 City Funds following:

(i) the failure of any of Developer's representations and warranties made in this Agreement or in connection with the awarded nine percent tax credits to be true and correct in all material respects;

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

(iii) the occurrence of an Event of Developer 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 Developer Default under any City Document.

ARTICLE VII

USE OF THE PROPERTY

7.1 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 senior residential project, in accordance with the terms and conditions of this Agreement and the Regulatory Agreement.

7.2 Maintenance. Developer, at its own expense, shall 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. The provisions of this Section 7.2 shall apply from and after Developer's acquisition of the Property.

7.3 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. 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.

7.4 Obligation to Refrain from Discrimination. From and after Developer's acquisition of the Property, 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.”

Additionally, City reserves the right to require other mandatory contract language necessary to satisfy existing Federal, State and Local requirements.

ARTICLE VIII

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF DEVELOPER

8.1 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.

8.2 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. (The provisions concerning Transfer of the Property, the Project and the Improvements shall apply commencing upon Developer's acquisition of a fee simple interest in the Property.) 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, neither the admission of an investor limited partner, nor the transfer by the investor limited partner to subsequent limited partners shall be restricted by this provision.

8.3 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; (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; or (v) a Transfer to a single purpose limited partnership in which at least one of the general partners is an affiliate controlled by Urban Housing Communities LLC, a California limited liability company ("**Controlled Affiliate**").

8.4 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 8.4 shall not apply to Transfers described in clauses (i) through (v) of Section 8.3):

(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.

8.5 Effect of Transfer without City Consent.

8.5.1 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.

8.5.2 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 8.5.2 shall not apply to Transfers described in clauses (i) through (v) of Section 6.3.

8.6 Recovery of City Costs. Developer shall reimburse the City up to Three Hundred Forty-One Thousand Five Hundred Dollars And No Cents ($341,500.00) over and above the costs set forth in Exhibit D for all costs incurred by the City, including but not limited to partial land acquisition costs and staffing costs, if and only if Closing is consummated, within ten (10) days following City's delivery to Developer of an invoice detailing such costs provided that any such invoices may be delivered only after the Closing is consummated..

ARTICLE IX
SECURITY FINANCING AND RIGHTS OF MORTGAGEES

9.1 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 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's Chief Executive officer 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.

9.1.1 Memorandum and Regulatory Agreement to be Senior to Mortgages. The City agrees that pursuant to Health and Safety Code Section 33334.14(a)(4), City will not withhold consent to reasonable requests for subordination of the Regulatory Agreement to deeds of trust provided for the benefit of Tax Credit equity partners 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 consistent with the requirements of Health and Safety Code Section 33334.14(a)(4).

9.2 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.

9.3 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 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.

9.4 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.

9.5 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.

9.6 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.

9.7 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 X

ENVIRONMENTAL MATTERS

10.1 No City Liability; Developer's Covenants. City shall 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.

10.2 Environmental Indemnification. Subject to the last sentence of this Section, 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 Section10.1. 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 10.2 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. Except for any Claims caused by sole negligence of the Developer or its agents, Developer's indemnification obligations set forth in this Section shall not apply to Claims regarding the Property arising out of or occurring prior to Developer's acquisition of the Property.

10.2.1 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 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.

10.3 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.

10.4 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 XI

DEFAULTS, REMEDIES AND TERMINATION

11.1 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 5.8, 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) A Transfer occurs, either voluntarily or involuntarily, in violation of Article VIII;

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

(d) Subject to Developer's right to contest the following charges pursuant to Section 7.3, 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;

(e) 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;

(f) 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 City Funds proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the City and Developer fails to cure such default within sixty (60) days after the date upon which City shall have given written notice of the default to Developer;

(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**"), Developer (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;

(h) 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;

(i) 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;

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

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

(l) 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.

11.2 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.

11.3 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.

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

(b) 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.

11.5 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.

11.6 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.

11.7 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.

ARTICLE XII

INDEMNITY AND INSURANCE

12.1 Indemnity. Developer shall indemnify, defend (with counsel approved by City) and hold Indemnitees, except third party contractors and consultants, 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 12.1 shall not extend to Claims resulting solely from the gross negligence or willful misconduct of, or to any breach of a warranty or representation of this Agreement by, 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 will 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.

12.2 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 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 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 payees as their interests 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 XIII

MISCELLANEOUS PROVISIONS

13.1 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, except as identified in the Financing Plan. 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.

13.2 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 City or entity (other than the acts or failures to act of City which shall not excuse performance by City), 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.

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 its City Manager unless he or she determines in his or her discretion to refer such matter to the governing board of the City). 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. 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.

133 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. 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: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Attention: City Manager [or designee]
Facsimile: (916) 851-8787

Developer: UHC 00575 Rancho Cordova L.P.
2000 E. Fourth Street
Suite 205
Santa Ana, CA 92705
Attn: John Bigley
Facsimile: 714.835.3275

13.4 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.

13.5 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.

13.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VIII, 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.

13.7 Survival. All representations made by Developer hereunder and Developer's obligations pursuant to Sections 5.14, 5.17, 5.18, 10.2, 12.1, 13.1 and 13.18 shall survive the expiration or termination of this Agreement and the issuance and recordation of a Certificate of Completion.

13.8 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.

13.9 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.

13.10 Entire Agreement. This Agreement, including Exhibits A through G attached hereto and incorporated herein by this reference, together with 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.

13.11 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.

13.12 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.

13.13 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.

13.14 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.

13.15 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 for any amount which may become due to Developer or its successors in interest pursuant to this Agreement.

13.16 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.

13.17 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.

13.18. 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 annual 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 the unlimited discretion of each, 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, as Housing Successor to the former Community Redevelopment Agency of the City of Rancho Cordova

By: ___________________________________

Name: _________________________________

Title: __________________________________

ATTEST:

By: __________________________________
, City Clerk

APPROVED AS TO FORM:

By: _________________________________
, City Attorney

DEVELOPER

UHC 00575 Rancho Cordova, L.P.

By: UHC 00575 Rancho Cordova Holdings LLC

By: ___________________________________

Name: ____________________________

Title: ______________________________

Exhibit A

LEGAL DESCRIPTION OF PROPERTY
(Attach legal description.)

Exhibit B

FORM OF MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT
(Attach form of Memorandum.)

Exhibit C

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

Exhibit D

FINANCING PLAN
(Attach Financing Plan.)

Exhibit E

DEVELOPMENT AND PERFORMANCE SCHEDULE
(Attach Schedule)

Exhibit F

REGULATORY AGREEMENT
(Attach Regulatory Agreement)

Exhibit G

APPROVED PLANS PER DESIGN REVIEW
(Attach Approved Plans and Conditions)

2044347.3

Exhibit A

LEGAL DESCRIPTION OF SITE

The site for the Horizons @ New Rancho affordable, senior's development has the address of 2738 Woodberry Way, Rancho Cordova, 95670. The parcel number for the site is 057-0221-022. Attached, is a current Preliminary Title Report which includes a legal description of the site as well as a parcel map.

Fidelity National Title Company

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California corporation.

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

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

Fidelity National Title Company

CORPORATE SEAL

BY President

ATTEST Secretary

Countersigned

Visit Us on our Website: www.fntic.com

Fidelity National Title Company

ISSUING OFFICE: 11050 Olson Dr., Suite 200 • Rancho Cordova, CA 95670

FOR SETTLEMENT INQUIRIES, CONTACT: Fidelity National Title Company - Sacramento Commercial & Industrial
8950 Cal Center Drive, Bldg. 3, Suite 100 • Sacramento, CA 95826
916 364-4070 • FAX 916 364-4093

PRELIMINARY REPORT

Amended

Title Officer: Craig Donner
Escrow Officer: Paul Avila
Escrow No.: 11-**5011627**-PA

Title No.: 11-**5011627**-G-CD
Locate No.: CAFNT0934-0934-0010-0005011627

TO: Community Redevelopment Agency of the City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

ATTN: Reed Flory

PROPERTY ADDRESS: Unimproved land

EFFECTIVE DATE: February 5, 2013, 07:30 A.M.

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

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

   A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

   Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova, a public body, corporate and politic

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

   SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

CD\CD 06/21/2011

Title No. 11-**5011627**-G-CD
Locate No. CAFNT0934-0934-0010-0005011627

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel B of boundary line adjustment recorded in Book 20101025 at Page 0516 of Official Records, County of Sacramento, said Parcel B being the Southeasterly 45.44 feet of Lot 34 as shown on the Plat of Cordova Court Unit No. 2, recorded in Book 53 of Maps, at Page 8, in the Recorders Office of the County of Sacramento, State of California.

Together with that certain parcel recorded in Document 1003139100 on March 13, 2010 and Document 1009100717 on September 10, 2010 of Official Records in the Recorders Office of the County of Sacramento, State of California. Said Parcel being the West 170.00 feet of Lot 35 of the plat of Cordova Court Unit No. 2 filed in Book 53 of Maps at Page 8 in the Recorders Office of the County of Sacramento, State of California. Said West 170.00 feet being measured at right angles from the Southwesterly line of said lot.

Being further described as follows:

Beginning at the most Southerly corner of aforesaid Lot 35 the following five (5) courses:

1) North 32° 00' 00" West 287.43 feet to the most Southerly corner of Parcel A of that certain Lot Merger as Recorded in Book 20101025 at Page 0516 of Official Records in the Recorders Office of the County of Sacramento, State of California.

2) Along said Southerly line of Parcel A North 58° 02' 20" East 133.32 feet (133.37 per aforesaid Lot Merger) to the Westerly right of way of Woodberry Way to a non-tangent curve to the left with a radius bearing of North 78° 13' 30" East 50.00 feet to the radius point.

3) Along said right of way along said curve to the left with a radius of 50.00 feet having a central angle of 98° 24' 46" with an arc length of 85.88 subtended by a chord of South 60° 58' 53" East 75.70 feet;

4) Leaving said right of way South 32° 00' 00" East 221.12 feet to the Southeasterly line of aforesaid Lot 35 said line also being the Northwesterly right of way of Folsom Boulevard;

5) Along said Southerly line of said Lot 35 South 58° 00' 00" West 170.00 feet to the point of beginning.

Containing 46,729.00 Square feet or 1.07 acres

Basis of bearings for this description is identical as Cordova Unit No. 2 Recorded in Book 53 of Maps at Page 8, Official Records in the Recorders Office of the County of Sacramento, State of California.

APN: 057-0221-022

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014.

2. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

3. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.

4. **Any unpaid amounts now owing for municipal services,** of record or not, amounts can be ascertained by contacting the following:

County of Sacramento at (916) 875-5555, **and/or including** :
City of Sacramento at (916) 808-5454.
City of Folsom at (916) 355-7200.
City of Galt at (209) 366-7150.
City of Elk Grove at (916) 478-3642
City of Rancho Cordova at (916) 638-9000
City of Isleton at (916) 777-7770
City of Citrus Heights at (916) 725-2448, and for waste charges - Allied Waste at (916) 725-9060, and as required, fax request to (916) 463-0297

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

Granted to:	Pacific Gas and Electric Company
Purpose:	Underground pipeline
Recorded:	April 7, 1955, Book 2806, Page 413, of Official Records
Affects:	The Southeasterly 10 feet adjacent to Folsom Blvd. of Parcel One and Two

6. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose:	Public utilities
Affects:	Southwesterly 5 feet of Parcel One; the Northwesterly and Southwesterly 5 feet of Parcel Three

7. Covenants, conditions and restrictions as contained in the Deed recorded July 11, 1958, in Book 3544, Page 568, of Official Records.

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

Granted to:	Speedee Mart, Inc.
Purpose:	Road
Recorded:	June 8, 1961, Book 4257, Page 652, of Official Records
Affects:	Parcel Two

9. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded:	June 20, 1961, Book 4263, Page 440, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

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

Granted to:	Sacramento Municipal Utility District and Pacific Telephone and Telegraph Company
Purpose:	Electrical and Communication Facilities
Recorded:	October 19, 1961, Book 4329, Page 637, of Official Records
Affects:	The Southeasterly 5 feet of Parcel Three

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

Granted to:	Sacramento Municipal Utility District and Pacific Telephone and Telegraph Company
Purpose:	Electrical and Communication Facilities
Recorded:	October 19, 1961, Book 4329, Page 639, of Official Records
Affects:	Northwesterly 5 feet

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

Granted to:	Pacific Telephone and Telegraph Company
Purpose:	Communication facilities
Recorded:	February 22, 1978, Book 780222, Page 960, of Official Records
Affects:	The Southeasterly 5 feet and the Southwesterly 10 feet of the Southeasterly 10 feet of Parcel Three

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

Granted to:	Pacific Telephone and Telegraph Company
Purpose:	Communication facilities
Recorded:	June 15, 1978, Book 780615, Page 814, of Official Records
Affects:	The Southeasterly 16 feet and the Southeasterly 16 feet of the Southqwesterly 10 feet of Parcel Three

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

Granted to:	County of Sacramento
Purpose:	Sanitary sewer pipeline
Recorded:	April 11, 1986, Book 860411, Page 1602, of Official Records
Affects:	The Southerly 5 feet of Parcel Two

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

Granted to:	Pacific Bell
Purpose:	Communication facilities and incedental purposes
Recorded:	April 23, 1990, Book 900423, Page 813, of Official Records
Affects:	Northerly 10 feet of the Westerly 15 feet of Parcel One

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

Granted to:	Sacramento Municipal Utility District
Purpose:	Electrical Facilities and incidental purposes
Recorded:	August 19, 1992, Book 920819, Page 1372, of Official Records
Affects:	the route of said right-of-way shall be within a strip of land 2 feet in width the centerline of which is described as follows: Beginning at a point in the Northerly right-of-way of the public road now known as Folsom Blvd. located North 58°00'00'" East 4.69 feet from the Southwest corner of said Lot 35: thence from said point of beginning North 12°01'43" East 11.00 feet
Affects:	Parcel One

17. **Matters** contained in that certain document entitled "BOUNDARY LINE ADJUSTMENT" dated February 13, 2012, executed by City of Rancho Cordova recorded February 14, 2012, Book 20120214, Page 985, of Official Records.

Reference is hereby made to said document for full particulars.

18. Any claim that the transaction vesting the Title as shown in Schedule A or creating the lien of the Insured Mortgage, or any other transaction occurring on or prior to Date of Policy in which Community Redevelopment Agency of the City of Rancho Cordova, a public body, corporate and politic or its successors transferred, acquired, or made any agreement affecting the title to or any interest in the Land, is void or voidable, or subject to termination, renegotiation, or judicial review, under California Assembly Bill 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session). and California Assembly Bill 1484 (Chapter 26, Statutes of 2011-12).

19. **Any rights of the parties in possession** of a portion of, or all of, said land, which rights are not disclosed by the public record.

This Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

20. The Company will require the following items to be submitted for review:

1. A resolution by the successor agency preferably that identifies the housing assets.
2. Approval of the oversite board.
3. Notice to the State Department of Finance.
4. Approval of the State Department of Finance.

21. Approval of the Policy or Commitment by the Regional Counsel is required prior to recordation of the instruments required to complete this transaction, and issuance of the Title Insurance Policy. The right is reserved to make additional exceptions and/or requirements upon their review.

END OF ITEMS

Note 1. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

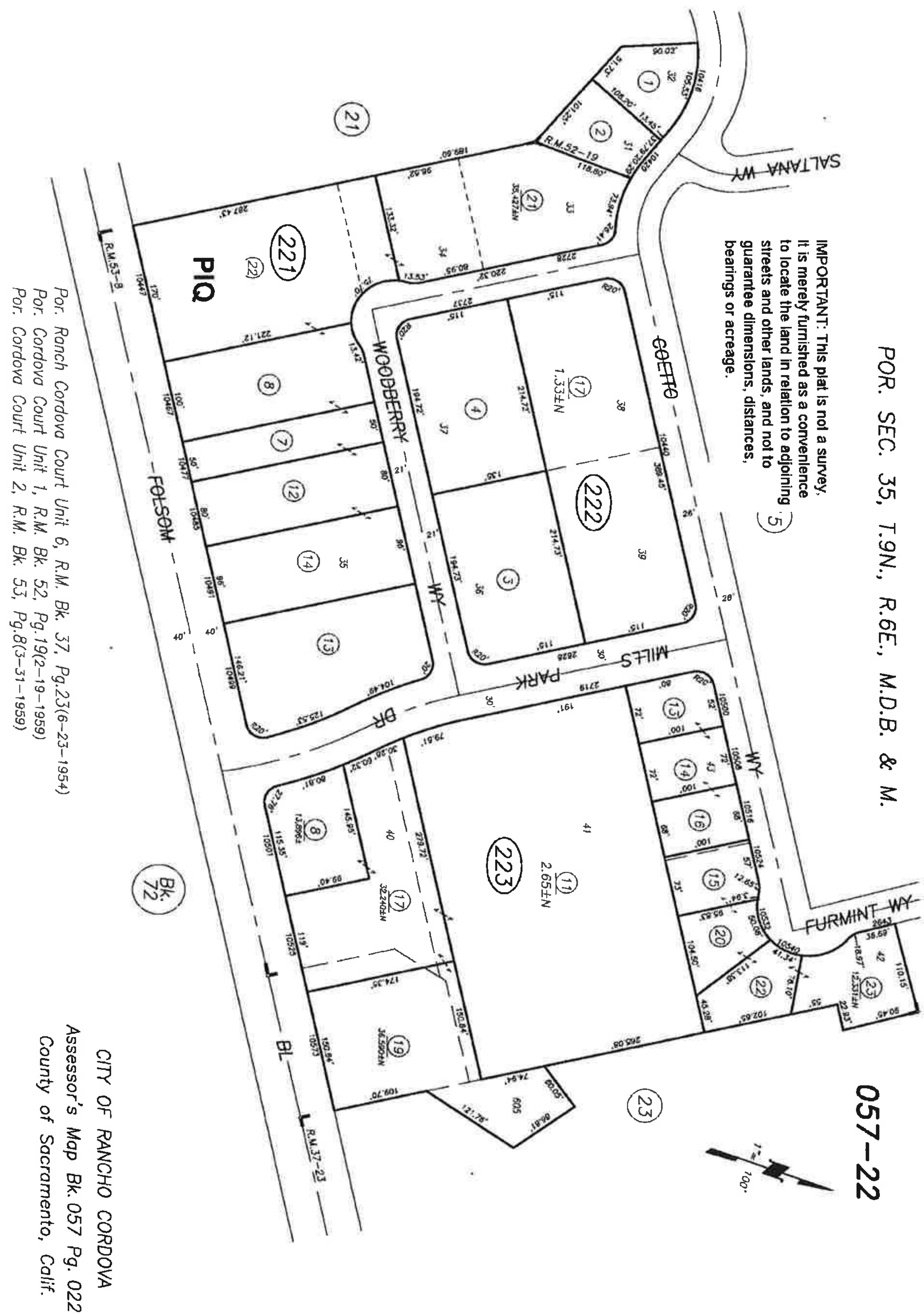
Note 2. Wiring instructions for Fidelity National Title Company, Sacramento, CA, are as follows:

Receiving Bank:	Citibank (West), F.S.B. 1116 Alhambra Blvd. Sacramento, CA 95816
ABA Routing No.:	321171184
Credit Account Name:	Fidelity National Title Company - Sacramento Commercial & Industrial 8950 Cal Center Drive, Bldg. 3, Suite 100, Sacramento, CA 95826
Credit Account No.:	202125712
Escrow No.:	11-**5011627**-PA

These wiring instructions are for this specific transaction involving the Title Department of the Rancho Cordova office of Fidelity National Title Company . These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

Note 3. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES



POR. SEC. 35, T.9N., R.6E., M.D.B. & M.
057-22
IMPORTANT: This plat is not a survey. It is merely furnished as a convenience to locate the land in relation to adjoining streets and other lands, and not to guarantee dimensions, distances, bearings or acreage.
SALTANA WY
COELHO
WOODBERRY WY
MILLS PARK DR
FURMINT WY
FOLSOM BL
PIQ
221
222
223
Bk. 72
Por. Ranch Cordova Court Unit 6, R.M. Bk. 37, Pg.23(6-23-1954)
Por. Cordova Court Unit 1, R.M. Bk. 52, Pg.19(2-19-1959)
Por. Cordova Court Unit 2, R.M. Bk. 53, Pg.8(3-31-1959)
CITY OF RANCHO CORDOVA
Assessor's Map Bk. 057 Pg. 022
County of Sacramento, Calif.

Exhibit B

FORM OF MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT

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 DISPOSITION AND DEVELOPMENT AGREEMENT

This Memorandum of Disposition and Development Agreement (this "**Memorandum**") dated as of _____________, 2013, is entered into by and between the City of Rancho Cordova, a California municipal corporation ("**City**") and UHC 00575 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 Disposition and Development Agreement dated as of _____________, 2013 (the "**DDA**""), pursuant to which upon Developer's satisfaction of certain conditions precedent City has agreed to convey that certain real property (the "**Property**") located within the City and more particularly described in Exhibit A attached hereto and incorporated herein by this reference, to Developer for the development of up to forty-eight (48) units of multi-family senior rental housing affordable to households whose income does not exceed fifty percent (50%) of Area Median Income, as defined in that certain Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (the "**Regulatory Agreement**") to be executed by the Parties and recorded in the Official Records of Sacramento County substantially concurrently therewith (the "**Project**").

2. Among other conditions, the DDA provides that Developer shall commence construction of the Project, which will be subject to certain maintenance obligations pursuant to the terms of the DDA and the Regulatory Agreement, by the later of October 15, 2013, or the earliest date permitted by the California Tax Credit Allocation Committee ("**TCAC**"), and shall complete construction of the Project in order to allow City to issue a final certificate of occupancy no later than twelve (12) months from the commencement of construction or such earlier date as may be required by TCAC.

3. The DDA 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 DDA which pertain to the portion of the Property transferred, including without limitation, the provisions of the Regulatory Agreement.

4. The Parties have executed and recorded this instrument to give notice of the DDA and the respective rights of the Parties thereunder. Copies of the unrecorded DDA 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 DDA. In the event of any inconsistency between this Memorandum and the DDA, the DDA shall control.

5. 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.

6. The DDA shall bind and inure to the benefit of the Parties and their respective successors and assigns.

<u>SIGNATURES ON FOLLOWING PAGE.</u>

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 00575 Rancho Cordova, L.P.,
a California limited partnership

By: ______________________

Its:: ______________________

SIGNATURES MUST BE NOTARIZED.

Attachment A

LEGAL DESCRIPTION OF SITE

The site for the Horizons @ New Rancho affordable, senior's development has the address of 2738 Woodberry Way, Rancho Cordova, 95670. The parcel number for the site is 057-0221-022. Attached, is a current Preliminary Title Report which includes a legal description of the site as well as a parcel map.

Title No. 11-**5011627**-G-CD
Locate No. CAFNT0934-0934-0010-0005011627

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel B of boundary line adjustment recorded in Book 20101025 at Page 0516 of Official Records, County of Sacramento, said Parcel B being the Southeasterly 45.44 feet of Lot 34 as shown on the Plat of Cordova Court Unit No. 2, recorded in Book 53 of Maps, at Page 8, in the Recorders Office of the County of Sacramento, State of California.

Together with that certain parcel recorded in Document 1003139100 on March 13, 2010 and Document 1009100717 on September 10, 2010 of Official Records in the Recorders Office of the County of Sacramento, State of California. Said Parcel being the West 170.00 feet of Lot 35 of the plat of Cordova Court Unit No. 2 filed in Book 53 of Maps at Page 8 in the Recorders Office of the County of Sacramento, State of California. Said West 170.00 feet being measured at right angles from the Southwesterly line of said lot.

Being further described as follows:

Beginning at the most Southerly corner of aforesaid Lot 35 the following five (5) courses:

1) North 32° 00' 00" West 287.43 feet to the most Southerly corner of Parcel A of that certain Lot Merger as Recorded in Book 20101025 at Page 0516 of Official Records in the Recorders Office of the County of Sacramento, State of California.

2) Along said Southerly line of Parcel A North 58° 02' 20" East 133.32 feet (133.37 per aforesaid Lot Merger) to the Westerly right of way of Woodberry Way to a non-tangent curve to the left with a radius bearing of North 78° 13' 30" East 50.00 feet to the radius point.

3) Along said right of way along said curve to the left with a radius of 50.00 feet having a central angle of 98° 24' 46" with an arc length of 85.88 subtended by a chord of South 60° 58' 53" East 75.70 feet;

4) Leaving said right of way South 32° 00' 00" East 221.12 feet to the Southeasterly line of aforesaid Lot 35 said line also being the Northwesterly right of way of Folsom Boulevard;

5) Along said Southerly line of said Lot 35 South 58° 00' 00" West 170.00 feet to the point of beginning.

Containing 46,729.00 Square feet or 1.07 acres

Basis of bearings for this description is identical as Cordova Unit No. 2 Recorded in Book 53 of Maps at Page 8, Official Records in the Recorders Office of the County of Sacramento, State of California.

APN: 057-0221-022

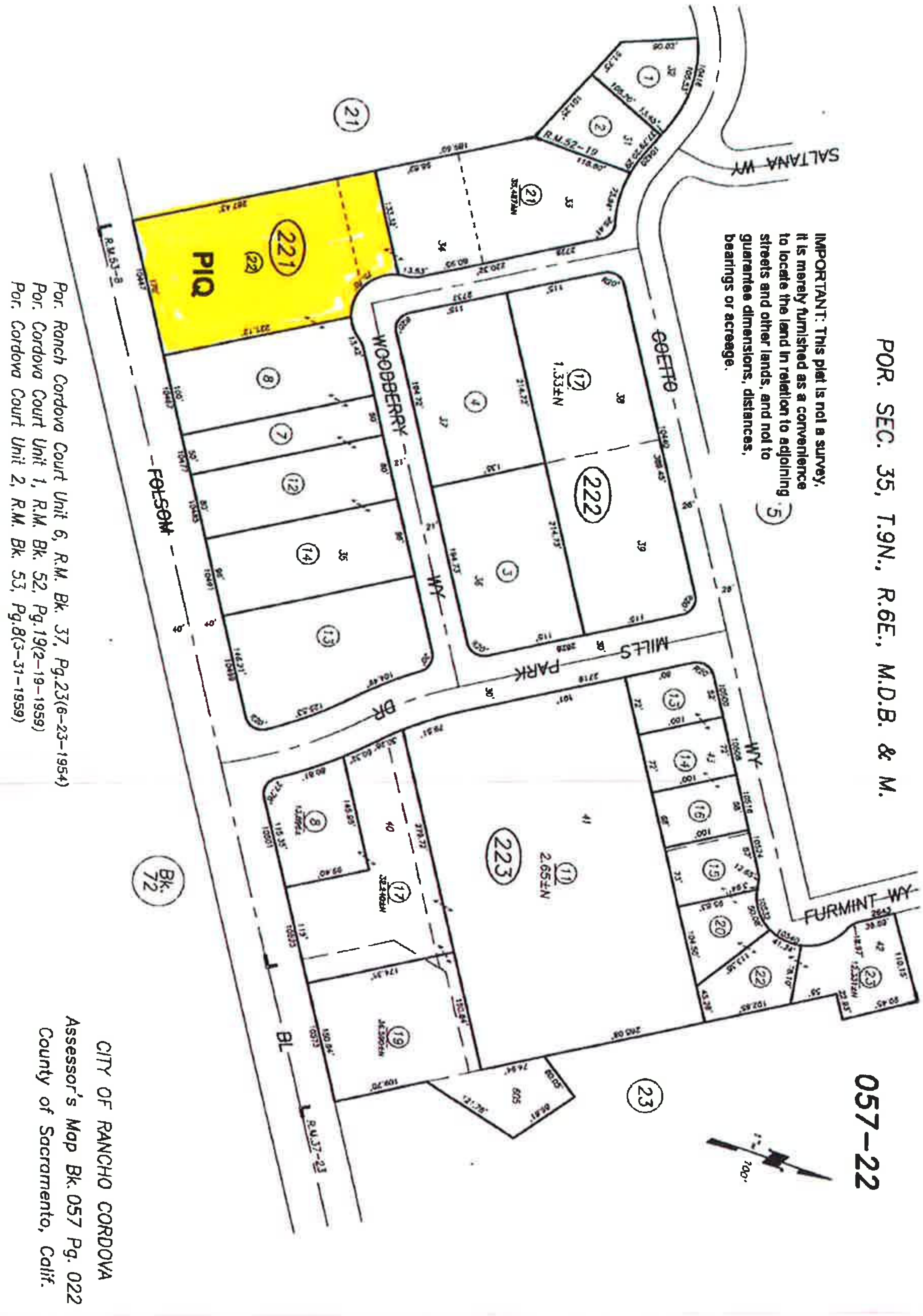

POR. SEC. 35, T.9N., R.6E., M.D.B. & M.
057-22
IMPORTANT: This plat is not a survey. It is merely furnished as a convenience to locate the land in relation to adjoining streets and other lands, and not to guarantee dimensions, distances, bearings or acreage.
CITY OF RANCHO CORDOVA
Assessor's Map Bk. 057 Pg. 022
County of Sacramento, Calif.
Por. Ranch Cordova Court Unit 6, R.M. Bk. 37, Pg.23(6-23-1954)
Por. Cordova Court Unit 1, R.M. Bk. 52, Pg.19(2-19-1959)
Por. Cordova Court Unit 2, R.M. Bk. 53, Pg.8(3-31-1959)
PIQ
221
222
223
1.33±N
2.65±N
SALTANA WY
COETTO
WOODBERRY WY
MILLS PARK DR
FURMINT WY
FOLSOM BL
Bk. 72

Exhibit C

Form of Certificate of Completion

Recording requested by
and when recorded mail to:

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

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 California municipal corporation ("**City**") effective as of __________, 20___.

RECITALS

A. City and UHC Rancho Cordova 00575, L.P., a California limited partnership ("**Owner**"), entered into that certain Disposition and Development Agreement (the "**DDA**") dated as of _______________, 2013 concerning the construction of an affordable multi-family senior rental residential project (the "**Project**") on certain real property located in the City of Rancho Cordova, California and more particularly described in Exhibit A attached hereto (the "**Property**"). A Memorandum of the DDA 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 DDA.

B. Pursuant to Section 5.15 of the DDA, the Agency is required to furnish the Owner or its successors with a Certificate of Completion upon completion of construction of the Project in accordance with the DDA.

C. The City has determined that the construction of the Project has been satisfactorily completed in accordance with the DDA.

NOW, THEREFORE, the City hereby certifies as follows:

1. Construction of the Project has been satisfactorily completed in conformance with the DDA.

2. All use, maintenance and nondiscrimination covenants contained in the DDA shall remain in effect and enforceable in accordance with the DDA. This Certificate does not constitute evidence of Owner's compliance with those covenants in the DDA 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 DDA 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 Owner 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 3093.3.

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

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

THE CITY OF RANCHO CORDOVA

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

Name: ______________________________
[Title]

ATTEST:

By: ***FORM- DO NOT SIGN***
City Clerk

APPROVED AS TO FORM:

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

SIGNATURES MUST BE NOTARIZED.

Exhibit A

PROPERTY
(Attach legal description.)

2049034.1

Exhibit D

FINANCING PLAN

2/14/2013

Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx

Permanent Sources and Uses

	Total	Per Unit
SOURCES OF FUNDS		
Permanent Loan	$ 495,000	$ 10,313
Federal 9% Tax Credit Proceeds	8,263,856	172,164
FHLB (AHP)	470,000	9,792
City Soft Loan	3,285,166	68,441
Soft Loan 2	-	-
Deferred Developer Fee	287,296	5,985
Soft Loan 3	0	0
State Tax Credits	1,721,696	35,869
TOTAL SOURCES OF FUNDS	**$ 14,523,015**	**$ 302,563**
USES OF FUNDS		
Acquisition Costs	$ 1,268,153	$ 26,420
Rehabilitation Costs	-	-
New Construction Costs	8,669,111	180,606
Contingency	433,456	9,030
Relocation	170,755	3,557
Architecture Fees	236,245	4,922
Survey and Engineering	71,143	1,482
Construction Financing	768,595	16,012
Permanent Financing	20,000	417
Legal Fees	329,552	6,866
Reserves	150,000	3,125
Other Soft Costs	1,206,005	25,125
Developer Fees	1,200,000	25,000
TOTAL USES OF FUNDS	**$ 14,523,015**	**$ 302,563**
SOURCES LESS USES	**$ 0**	**$ 0**

NOTES:

Tiebreaker	
Tiebreaker if no appraisal required	
Tax Credit Applicable Rate	9.00

2/14/2013
Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx
Construction Sources and Uses

	Total	Per Unit	
SOURCES OF FUNDS			
City of Rancho Cordova Construction Loan	$ 7,628,692	$ 158,931	381,435
Federal 9% Tax Credit Proceeds	$ 2,065,964		
FHLB (AHP)	-	-	
City Soft Loan	3,626,666	75,556	
Soft Loan 2	-	-	
Deferred Developer Fee	771,268	16,068	
Soft Loan 3	0	0	
State Tax Credits	430,424	8,967	
TOTAL SOURCES OF FUNDS	**$ 14,523,015**	**$ 302,563**	
USES OF FUNDS			
Acquisition Costs	$ 1,268,153	$ 26,420	
Rehabilitation Costs	-	-	
New Construction Costs	8,669,111	180,606	
Contingency	433,456	9,030	
Relocation	170,755	3,557	
Architecture Fees	236,245	4,922	
Survey and Engineering	71,143	1,482	
Construction Financing	768,595	16,012	
Permanent Financing	20,000	417	
Legal Fees	329,552	6,866	
Reserves	150,000	3,125	
Other Soft Costs	1,206,005	25,125	
Developer Fees	1,200,000	25,000	
TOTAL USES OF FUNDS	**$ 14,523,015**	**$ 302,563**	
SOURCES LESS USES	**$ 0**	**$ 0**	

NOTES:

2/14/2013
Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx
Development Costs

TCAC Category/Item	Amount	per Unit	per sq ft building	Eligible Basis New	Eligible Basis Acq	Eligible Basis Not
ACQUISITION COSTS						
Land Cost or Value	$ 1,237,222	25,775	25.07			$ 1,237,222
Existing Improvements Value		-	-		-	-
Subtotal Land and Improvements	**1,237,222**	**25,775**	**25.07**	-	-	**1,237,222**
Closing Costs	30,931	644	0.63			30,931
Subtotal Closing Costs	**30,931**	**644**	**0.63**	-	-	**30,931**
Total Acquisition Cost	**1,268,153**	**26,420**	**25.70**	-	-	**1,268,153**
NEW CONSTRUCTION						
Demolition	147,918	3,082	3.00	-	-	147,918
Off-site Improvements	95,100	1,981	1.93	95,100	-	-
Site Work	908,565	18,928	18.41	908,565	-	-
Structures	4,103,980	85,500	83.17	4,103,980	-	-
Hazardous Materials Remediation	-	-	-	-	-	-
Footings ElevatorsRoof and Siding	2,363,008	49,229	47.89	2,363,008	-	-
General Requirements	277,766	5,787	5.63	277,766	-	-
General Overhead/Profit	581,154	12,107	11.78	581,154	-	-
Payment and Performance Bond	71,250	1,484	1.44	71,250	-	-
Other	35,370	737	0.72	-	-	35,370
SMUD Allowance	85,000	1,771	1.72	85,000	-	-
Total New Construction	**8,669,111**	**180,606**	**175.68**	**8,485,823**	-	**183,288**
CONTINGENCY	**433,456**	**9,030**	**8.78**	**433,456**	-	-
RELOCATION EXPENSES	**170,755**	**3,557**	**3.46**	-	-	**170,755**
ARCHITECTURAL FEES						
Design	210,025	4,376	4.26	210,025	-	-
Supervision	26,220	546	0.53	26,220	-	-
Total Architectural Costs	**236,245**	**4,922**	**4.79**	**236,245**	-	-
SURVEY AND ENGINEERING	**71,143**	**1,482**	**1.44**	**71,143**	-	-
CONSTRUCTION INTEREST AND FEES						
Construction Loan Interest	365,000	7,604	7.40	235,625	-	129,375
Origination Fee	59,000	1,229	1.20	59,000	-	-
Credit Enhancement Application Fee	-	-	-	-	-	-
Payment and Performance Bond Premium	-	-	-	-	-	-
Taxes	18,558	387	0.38	18,558	-	-
Insurance	130,037	2,709	2.64	130,037	-	-
Title and Recording	15,000	313	0.30	15,000	-	-
Other-Bridge Loan Interest	-	-	-	-	-	-
Other-Construction Capitalization	136,000	2,833	2.76	136,000	-	-
Other-Due Diligence Fee	45,000	938	0.91	45,000	-	-
Total Construction Interest and Fees	**768,595**	**16,012**	**15.58**	**639,220**	-	**129,375**
PERMANENT FINANCING						
Loan Origination Fee	10,000	208	0.20			10,000
Credit Enhancement Application Fee	-		-			-
Title and Recording	10,000	208	0.20			10,000
Taxes/Insurance/Other	-		-			-
Other-	-	-	-			-
Other-Permanent Credit Enhancement	-	-	-			-
Total Permanent Financing Costs	**20,000**	**417**	**0.41**	-	-	**20,000**
LEGAL FEES						
Legal Fees Paid by Applicant	90,000	1,875	1.82	90,000	-	-
Other Legal Fees	239,552	4,991	4.85	-	-	239,552
Total Legal Fees	**329,552**	**6,866**	**6.68**	**90,000**	-	**239,552**
RESERVES						
Rent Reserves	75,000	1,563	1.52			75,000
Capitalized Replacement Reserves	-	-	-			-
Operating Deficit Reserve	75,000	1,563	1.52			75,000
Total Reserve Costs	**150,000**	**3,125**	**3.04**	-	-	**150,000**

2/14/2013
Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx
Development Costs

TCAC Category/Item	Amount	per Unit	per sq ft building	Eligible Basis New	Eligible Basis Acq	Eligible Basis Not
OTHER PROJECT COSTS						
Application and Compliance Monitoring Fees	91,000	1,896	1.84			91,000
Project Appraisal/Market Study	43,688	910	0.89	43,688	-	-
Phase 1 Reports , SWWP, etc	38,700	806	0.78	38,700	-	-
Payment and Performance Bond	3,000	63	0.06	3,000	-	-
Local Development Impact Fees	491,500	10,240	9.96	491,500	-	-
Permit Processing Fees	63,292	1,319	1.28	63,292	-	-
Capital Fees	-	-	-			-
Marketing and Sales	52,800	1,100	1.07			52,800
Fixtures Furniture and Equipment	84,000	1,750	1.70	84,000	-	-
Power Plus and Golden State	49,200	1,025	1.00	49,200	-	-
Accounting/Reimbursable	16,800	350	0.34	16,800	-	-
Soft Cost Contingency	137,000	2,854	2.78	137,000	-	-
Other-Soil Tests	43,723	911	0.89	43,723	-	-
Other-Professional Fees	91,302	1,902	1.85	91,302	-	-
Total Other Costs	1,206,005	25,125	24.44	1,062,205	-	143,800
SUBTOTAL PROJECT COSTS	13,323,015	277,563	270.00	11,018,092	-	2,304,923
DEVELOPER COSTS						
Developer Overhead Profit	1,200,000	25,000	24.32	1,200,000	-	-
Consultant/Processing Agent	-	-	-	-	-	-
Project Administration	-	-	-	-	-	-
Broker Fees Paid to a Related Party	-	-	-	-	-	-
Construction Oversight by Developer	-	-	-	-	-	-
Total Developer Costs	1,200,000	25,000	24.32	1,200,000	-	-
TOTAL DEVELOPMENT COSTS	14,523,015	302,563	294.32	12,218,092	-	2,304,923

2/14/2013
Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx
Tax Credits

Unit Size	9% SACRAMENTO County Basis Limits	No. of Units	Basis
0 bed	$140,349	0	-
1 bed	$161,821	42	6,796,482
2 bed	$195,200	6	1,171,200
3 bed	$249,856	0	-
4 bed	$278,355	0	-
	Total Unadjusted Basis Limit	**48**	**7,967,682**

(A) 1	Plus 20% basis adjustment for projects required to pay state or federal prevailing wages.	Yes	20%
(A) 2	Plus 7% basis adjustment for new construction projects which are required to provide parking beneath residential units (but not "tuck under" parking).	No	0%
(A) 3	Plus 2% basis adjustment for projects where a day care center is part of the development.	No	0%
(A) 4	Plus 2% basis adjustment for projects where 100 percent of the units are for Special Needs populations.	No	0%
(A) 5	Plus 10% basis adjustment for projects wherein at least 95% of the project's upper floor units are serviced by an elevator.	Yes	10%
	Subtotal Category (A) shall not exceed 39%	**30%**	**2,390,305**
(B) 1	Project shall have onsite renewable generation estimated to produce 50 percent (50%) or more of annual electricity use (dwelling unit and common area meters combined). If the combined available roof area of the project structures, including carports, is insufficient for provision of 50% of annual electricity use, then the project shall have onsite renewable generation based on at lease 90 percent (90%) of the available solar accessible roof area. Available solar accessible area is defined as roof area less north facing rof area for sloped roofs, equipment, solar thermal hot water and required local or state fire department set-backs and access routes. Five percent (5%)	No	0%
(B) 2	Project shall have onsite renewable generation estimated to produce 75 percent (75%) or more of common area annual electricity. If the combined available roof area of the project structures, including carports, is insufficient for provision of 75% of annual electricity use, then the project shall have onsite renewable generation based on at lease 90 percent (90%) of the available solar accessible roof area. Available solar accessible area is defined as roof area less north facing roof area for sloped roofs, equipment, solar thermal hot water and required local or state fire department set-backs and access routes. Two percent (2%)	Yes	2%
(B) 3	Newly constructed project buildings shall be forty-five percent (45%) or more energy efficient than the current Energy Efficiency Standards (California Code of Regulations, Part 6 of Title 24). Four percent (4%)	No	0%
(B) 4	Rehabilitated project buildings shall have eighty percent (80%) decrease (or improvement in energy efficiency) in the building's Home Energy Rating System II estimated annual energy use post rehabilitation, over existing conditions. Four percent (4%)	No	0%

2/14/2013

Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx

Tax Credits

(B) 5	~~Cooling without refrigerant in climate zones 4, 8, 9, or 10 (excluding direct evaporative cooling) where cooling is required or part of standard local practice. This must be accomplished according to the procedures and protocols of the proposed Los Angeles Housing Department's Natural Cooling Reference Standard. Two percent (2%)~~	No	0%
(B) 6	Irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens). One percent (1%)	No	0%
(B) 7	Community Gardens of at least 60 square feet per unit. Permanent site improvements that provide a viable growing space within the project including solar access, fencing, watering systems, secure storage space for tools, and pedestrian access. One percent (1%)	No	0%
(B) 8	Install bamboo, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all kitchens, living rooms, and bathrooms (where no VOC adhesives or backing is also used. One percent (1%)	Yes	1%
(B) 9	Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, ceramic tile, or natural linoleum in all common areas. Two percent (2%)	Yes	2%
(B) 10	Meet all requirements of the U.S. Environmental Protection Agency Indoor Air Plus Program. Two percent (2%)	Yes	2%
	Subtotal Category (B) shall not exceed 10%	**7%**	**557,738**
(C) 1	Plus 1% basis adjustment for each 1% of units income-targeted to 50% to 36% of AMI	**85%**	-
(C) 2	Plus 2% basis adjustment for each 1% of units income targeted to 35% of AMI and below	**13%**	-
(D)	Projects requiring seismic upgrading of existing structures, and/or projects requiring toxic or other environmental mitigation may be permitted an increase in basis limit equal to the lesser of the amount of costs associated with the seismic upgrading or environmental mitigation or 15% of the project's unadjusted eligible basis to the extent that the project architect certifies in the application to the costs associated with such work.	No	-
(nn)	Local Development Impact Fees. The amount of impact fees, mitigation fees, or capital facilities fees imposed by municipalities, county agencies, or other jurisdictions such as public utility districts, school districts, water agencies, resource conservation districts, etc.	Yes	**491,500**
	TCAC Adjusted Eligible Basis		**11,407,224**

2/14/2013

Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx

Tax Credits

Determination of Credits	**Acquisition Basis**	**New Construction Rehabilitation Basis**		**Total**	
Sum of Eligible Basis Development Costs	-	12,218,092		12,218,092	
Prorated reduction for Non Section 42 Units	-	-	0%	-	
Prorated reduction for Retail Commercial	-	-	0%	-	
Eligible Basis From Development Costs	-	12,218,092		12,218,092	
Prorata Allocation of Excess Basis	-	(810,867)		(810,867)	
TCAC adjusted eligible basis	-	11,407,224		11,407,224	
TCAC Eligible Basis or Actual Eligible Basis	-	11,407,224		11,407,224	MIN
Deduct Grants/Recourse Financing	-			-	
Reduction in Basis to Enhance Tiebreaker	-	(1,842,246)		(1,842,246)	
Total Unadjusted Eligible Basis	-	9,564,978		9,564,978	
30% increase in Basis if DDA or QCT		-		-	No
Adjusted Eligible Basis	-	9,564,978		9,564,978	
Applicable Percentage	3.15%	9.00%			
Annual Credits Calculated	-	860,848		860,848	
Credits over 10 years	-	8,608,481		8,608,481	
Tax Credit Pricing	$0.95	$0.95			
Proceeds From Federal Tax Credit Sales	0	8,178,056		8,178,056	
Investment Partner Share	99.99%	99.99%			
Tax Credits to Syndication	-	8,177,239		8,177,239	
State Credit Eligible Basis Factor		30.00%			
State Credit Eligible Basis		2,869,494			
State Tax Credit Pricing		$0.60			
Proceeds Raised From State Tax Credits		1,721,696			
Energy Credits		85,800			
Proceeds Raised From Solar Credits	$1.00	85,800			

2/14/2013
Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx
Rents

Tax Credit Income Level	MHP Income Level	Bed Rooms	Unit Size in SF	Number of Units	Gross HUD Rent	Utility Allow	Market Rent	Net Rent
30% of AMI	-	1	608 SF	5	$ 407	$ 27	$ 1,173	$ 380
40% of AMI	-	1	608 SF	19	543	$ 27	1,173	516
50% of AMI	-	1	608 SF	17	678	$ 27	1,173	651
60% of AMI	-	1	608 SF	-	814	$ 27	1,173	787
30% of AMI	-	2	828 SF	1	488	33	1,465	455
40% of AMI	-	2	828 SF	3	651	33	1,465	618
50% of AMI	-	2	828 SF	2	813	33	1,465	780
60% of AMI	-	2	828 SF	-	976	33	1,465	943
Manager Unit		1	828 SF	1	-	-	-	-
Community Room								
Common Space								
Totals				**48**				

Notes:
Points for lowest income pursuant to Section 10325(9): 62.5

2/14/2013
Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx
Cash Flow

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9
Rental Income	319,680	327,672	335,864	344,260	352,867	361,689	370,731	379,999	389,499
Laundry and Vending	6,720	6,888	7,060	7,237	7,418	7,603	7,793	7,988	8,188
Retail Commercial Net Income	-	-	-	-	-	-	-	-	-
Gross Potential Income	326,400	334,560	342,924	351,497	360,285	369,292	378,524	387,987	397,687
Forecasted Vacancies	16,320	16,728	17,146	17,575	18,014	18,465	18,926	19,399	19,884
Total Vacancies & Reductions	310,080	317,832	325,778	333,922	342,270	350,827	359,598	368,588	377,802
Operating Expenses	196,416	203,291	210,406	217,770	225,392	233,281	241,445	249,896	258,642
Property Management Fee	16,320	16,728	17,146	17,575	18,014	18,465	18,926	19,399	19,884
Service Amenities	10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168
Replacement Reserves	19,200	19,776	20,369	20,980	21,610	22,258	22,926	23,614	24,322
Total Annual Operating Expenses & Reserves	241,936	250,145	258,633	267,412	276,491	285,880	295,590	305,632	316,017
NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE	68,144	67,687	67,144	66,510	65,779	64,947	64,008	62,956	61,786
Permanent Loan	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645	49,645
n/a	-	-	-	-	-	-	-	-	-
NET CASH FLOW AVAILABLE BEFORE OTHER CHARGES	18,499	18,042	17,499	16,865	16,134	15,302	14,363	13,311	12,141

2/14/2013
Financial Model 9% 48 Units with 2 bedroom units 2.14.2013.xlsx
Cash Flow

	YR 10	YR 11	YR 12	YR 13	YR 14	YR 15
Rental Income	399,237	409,217	419,448	429,934	440,682	451,699
Laundry and Vending	8,392	8,602	8,817	9,038	9,264	9,495
Retail Commercial Net Income	-	-	-	-	-	-
Gross Potential Income	407,629	417,820	428,265	438,972	449,946	461,195
Forecasted Vacancies	20,381	20,891	21,413	21,949	22,497	23,060
Total Vacancies & Reductions	387,247	396,929	406,852	417,023	427,449	438,135
Operating Expenses	267,695	277,064	286,761	296,798	307,186	317,938
Property Management Fee	20,381	20,891	21,413	21,949	22,497	23,060
Service Amenities	13,629	14,106	14,600	15,111	15,640	16,187
Replacement Reserves	25,052	25,803	26,577	27,375	28,196	29,042
Total Annual Operating Expenses & Reserves	326,757	337,864	349,352	361,232	373,519	386,226
NET OPERATING INCOME (LOSS) BEFORE DEBT SERVICE	60,491	59,064	57,500	55,791	53,930	51,909
Permanent Loan	49,645	49,645	49,645	49,645	49,645	49,645
n/a	-	-	-	-	-	-
NET CASH FLOW AVAILABLE BEFORE OTHER CHARGES	10,846	9,419	7,855	6,146	4,285	2,264

Exhibit E

Development and Performance Schedule

DEVELOPMENT PERFORMANCE SCHEDULE FOR
HORIZONS @ NEW RANCHO
(AP# 057-0221-022)

The following milestones, dates and products, shall constitute performance requirements of the Developer UHC 00575 Rancho Cordova L.P, a California Limited Partnership ("**Developer**") in the application for financing, construction, rent-up and continuing operation of the 48 unit, affordable, senior project known as Horizons @ New Rancho ("**Horizons**").

CONSTRUCTION FINANCING

- Tax Credit Application
  - On or before March 6, 2013 (Rd #1), or July 3, 2013 (Rd #2) if not successful with 3/6/13 application, Developer shall cause the submission of a Tax Credit application satisfactory to the City of Rancho Cordova. This application shall include a construction loan, permanent loan and syndication equity agreement satisfactory to the City of Rancho Cordova.
  - Satisfaction of this requirement shall be met by proof submitted to the City of Rancho Cordova that a Tax Credit application was received by the California Tax Credit Allocation Committee.
- Construction Loan closing
  - On or before the 90th day after the date indicated on the Tax Credit award letter from CTCAC or 30 days from the issuance of building permits whichever occurs first, Developer shall cause a construction loan closing to occur. After the receipt by the City of a written request from the Developer for a construction start beyond the 90 days, the City at its sole discretion may grant an additional time to close. The closing shall include a construction loan satisfactory to the City of Rancho Cordova, a binding permanent loan commitment satisfactory to the City of Rancho Cordova and a Syndication Agreement satisfactory to the City of Rancho Cordova.
  - Satisfaction of this requirement shall be a timely construction loan closing including the delivery to the City of Rancho Cordova of proof of the recordation of documents within 36 hours of the closing.
- Construction Completion
  - Construction shall be completed within 365 days of the Construction loan closing.
  - Satisfaction of this requirement shall be evidenced by the City's delivery to the Developer of a Certificate of Completion. (Note that the delivery of this certificate requires the determination by the City of Rancho Cordova that the following requirements have been satisfied: Labor Standards requirements, Certificate of occupancy, proof of all lien release, recorded AIA Notice of Completion, and an initial draft of the Final Budget.
- Permanent Loan Closing
  - Developer shall cause a Permanent loan closing to occur within 45 days of the satisfaction of all of the following: attaining 95% occupancy, a 1.15 DCR for 3 months, completion of audit and receipt from TCAC of 8609 form plus any other requirements of the City or Conventional Permanent Lender consistent with industry standards.
  - Satisfaction of this requirement shall be a timely permanent loan closing including the delivery to the City of Rancho Cordova of proof of the recordation of documents within 36 hours of the closing.

Exhibit F

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,

&

UHC 00575 RANCHO CORDOVA, L.P.

THIS REGULATORY AGREEMENT ("Agreement") is made this _______ day of __________, 2013 ("Effective Date"), by and between UHC 00575 Rancho Cordova, L.P., a California limited partnership (the "**Owner**"); and the City of Rancho Cordova, a California municipal corporation (the "**City**"). The Owner and the City are referred to herein collectively as the "**Parties**."

RECITALS

A. Pursuant to that certain Disposition and Development Agreement dated as of _________________, 2013, between the Parties (the "**DDA**"), City has conveyed that certain real property located in the City of Rancho Cordova and more particularly described in Exhibit A attached hereto and incorporated by reference (the "**Property**") for the development by Owner for the construction of a multi-family affordable senior residential rental project (the "**Project**") on the Property, and has further agreed to provide a permanent loan to Owner in the total principal amount not to exceed Three

Million Two Hundred Eighty –Five Thousand, One Hundred Sixty-Six Dollars and No Cents ($3,285,166.00) (the "**Permanent Loan**"). The Project consists of forty-eight (48) units, of which forty-seven (47) 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; six (6) units shall be restricted for occupancy by households with incomes at or below thirty percent (30%) of AMI; and one (1) unit shall be an unrestricted, non-revenue producing manager's unit.

B. The Property and the Project are located in the Rancho Cordova Redevelopment Project Area (the "**Project Area**"). Pursuant to California Health and Safety Code Section 34176(a)(1), on January 17, 2012, the City Council of the City of Rancho Cordova ("City Council") adopted Resolution No. 7-2012, whereby the City elected to retain the housing assets and functions of the former Community Redevelopment Agency off the City of Rancho Cordova ("**Agency**"), upon the dissolution of the Agency, effective February 1, 2012. As housing successor to the Agency, City has assumed responsibility for implementing the Project..

C.. As a condition of the conveyance of the Property and the Permanent Loan, Owner agrees to place specified restrictions upon the use and transfer of the Property in order to ensure continued Project affordability..

D. 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.

E. Capitalized terms not defined herein, if any, shall have the meaning ascribed to them in the DDA.

NOW THEREFORE, in consideration of the promises herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties covenant and agree as follows:

1. <u>Definitions</u>

"**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, or of thirty percent (30%) of Area Median Income, as applicable to the particular Unit, 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, and in which at least one (1) member is age fifty-five (55) or older.

"**Extremely Low-Income Household**" means a household whose gross income does not exceed thirty percent (30%) of the Area Median Income, Adjusted for Actual Household Size.

"**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 forty-seven (47) dwelling units in the Project that are reserved for occupancy by a Very Low-Income Household or Extremely Low-Income Household, as applicable..

"**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

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 or Extremely Low-Income Households, according to the following schedule of Restricted Units:

	1 bedroom	2 bedroom	bedroom	4 bedroom
At or Below 50% AMI	41	6	0	0

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.

4. Certification of Tenant Income, Household Size and Age Qualifier

a. The income and household size of all households occupying Restricted Units, and evidence that at least one (1) member of the household is age fifty-five (55) or older, 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 Permanent 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. Term Rental or occupancy agreements may be for a term of one (1) year but tenants must also be offered the option of a six (6) month term.

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 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 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 DDA 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, 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 Permanent Loan) 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; (iii) the successor-in-interest demonstrates to City's satisfaction that it can own and operate the Project in full compliance with all City 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 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 VIII of the DDA..

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 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 Tax Credit Program, capitalized reserve accounts totaling One Hundred Fifty Thousand Dollars And No Cents ($150,000.00), including a Permanent Operating Reserve Account in the amount of not less than Seventy-Five Thousand Dollars And No Cents ($75,000.00), and a Replacement Reserve Account in the amount of Seventy-Five Thousand Dollars And No Cents ($75,000.00), shall be established, funded and maintained by Owner. Reserves for replacement shall be in accordance with the requirements of the Tax Credit Program and as required by any senior lender. In Years 1 through 5, the annual deposit to the Replacement Reserve Account shall be in the amount of Five Hundred Dollars ($300) 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."

Additional language may be required by City staff.

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 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 the DDA, this Agreement or documents for the Permanent Loan, City 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 , 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 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 , would be impossible to ascertain.

(4) Accelerate all amounts, including outstanding principal and interest, due under the Permanent Loan, 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 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 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 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):

14. 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 City. 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, as applicable. 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 its authorized agents.

15. 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. City shall not 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 15a 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 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 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 determines that the Project is not being operated in accordance with this Agreement, City 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 deems necessary to ensure performance of the requirements of this Agreement.

16. Inspections

a. Owner shall allow City 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.

17. 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 the DDA. 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 as an additional insured 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 Deed of Trust for the Permanent Loan..

18. Governing Law

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

19. 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.

20. 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 purpose of this Agreement and/or threatens the security for the City's Permanent Loan.

21. Venue

If either 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.

22. Costs of Enforcement

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

23. 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 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 willful misconduct, Owner agrees to indemnify, defend and hold harmless the City and its 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. 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: ______________________________

ATTEST:

By: ______________________________
City Clerk

APPROVED AS TO FORM:

By: ______________________________
City Attorney

OWNER:

UHC 00575 Rancho Cordova, L.P.,
a California limited partnership

By: ________________________

Its: ________________________

STATE OF CALIFORNIA)
COUNTY OF ________________)

On ________________, 2013, 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 ________________, 2013, 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

LEGAL DESCRIPTION OF SITE

The site for the Horizons @ New Rancho affordable, senior's development has the address of 2738 Woodberry Way, Rancho Cordova, 95670. The parcel number for the site is 057-0221-022. Attached, is a current Preliminary Title Report which includes a legal description of the site as well as a parcel map.

Title No. 11-**5011627**-G-CD
Locate No. CAFNT0934-0934-0010-0005011627

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel B of boundary line adjustment recorded in Book 20101025 at Page 0516 of Official Records, County of Sacramento, said Parcel B being the Southeasterly 45.44 feet of Lot 34 as shown on the Plat of Cordova Court Unit No. 2, recorded in Book 53 of Maps, at Page 8, in the Recorders Office of the County of Sacramento, State of California.

Together with that certain parcel recorded in Document 1003139100 on March 13, 2010 and Document 1009100717 on September 10, 2010 of Official Records in the Recorders Office of the County of Sacramento, State of California. Said Parcel being the West 170.00 feet of Lot 35 of the plat of Cordova Court Unit No. 2 filed in Book 53 of Maps at Page 8 in the Recorders Office of the County of Sacramento, State of California. Said West 170.00 feet being measured at right angles from the Southwesterly line of said lot.

Being further described as follows:

Beginning at the most Southerly corner of aforesaid Lot 35 the following five (5) courses:

1) North 32° 00' 00" West 287.43 feet to the most Southerly corner of Parcel A of that certain Lot Merger as Recorded in Book 20101025 at Page 0516 of Official Records in the Recorders Office of the County of Sacramento, State of California.

2) Along said Southerly line of Parcel A North 58° 02' 20" East 133.32 feet (133.37 per aforesaid Lot Merger) to the Westerly right of way of Woodberry Way to a non-tangent curve to the left with a radius bearing of North 78° 13' 30" East 50.00 feet to the radius point.

3) Along said right of way along said curve to the left with a radius of 50.00 feet having a central angle of 98° 24' 46" with an arc length of 85.88 subtended by a chord of South 60° 58' 53" East 75.70 feet;

4) Leaving said right of way South 32° 00' 00" East 221.12 feet to the Southeasterly line of aforesaid Lot 35 said line also being the Northwesterly right of way of Folsom Boulevard;

5) Along said Southerly line of said Lot 35 South 58° 00' 00" West 170.00 feet to the point of beginning.

Containing 46,729.00 Square feet or 1.07 acres

Basis of bearings for this description is identical as Cordova Unit No. 2 Recorded in Book 53 of Maps at Page 8, Official Records in the Recorders Office of the County of Sacramento, State of California.

APN: 057-0221-022

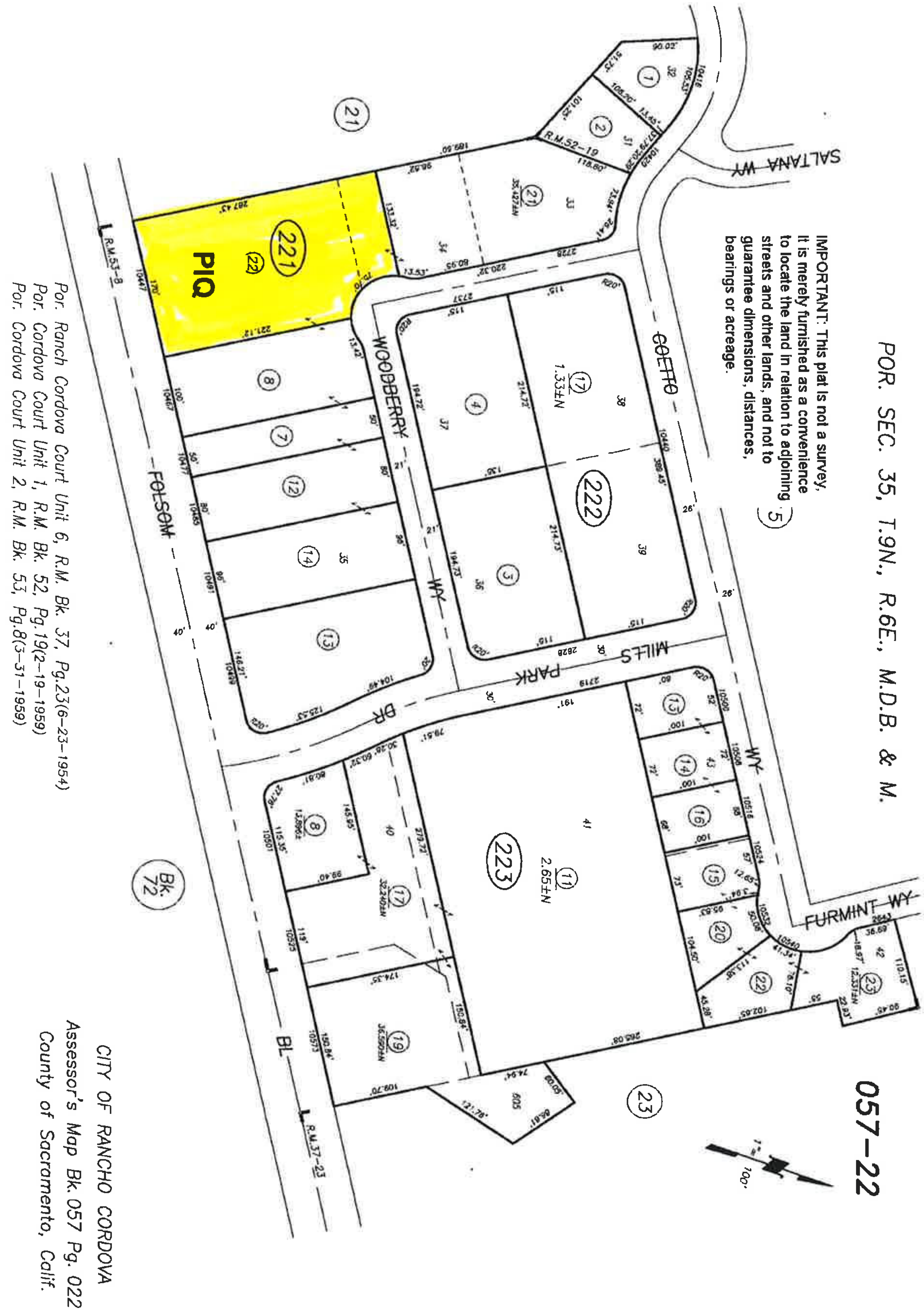

POR. SEC. 35, T.9N., R.6E., M.D.B. & M.
057-22
IMPORTANT: This plat is not a survey, it is merely furnished as a convenience to locate the land in relation to adjoining streets and other lands, and not to guarantee dimensions, distances, bearings or acreage.
PIQ
221
222
223
SALTANA WY
GOETHE
WOODBERRY WY
MILLS PARK DR
FURMINT WY
FOLSOM BL
R.M.53-8
R.M.52-19
R.M.37-23
Bk. 72
Por. Ranch Cordova Court Unit 6, R.M. Bk. 37, Pg.23(6-23-1954)
Por. Cordova Court Unit 1, R.M. Bk. 52, Pg.19(2-19-1959)
Por. Cordova Court Unit 2, R.M. Bk. 53, Pg.8(3-31-1959)
CITY OF RANCHO CORDOVA
Assessor's Map Bk. 057 Pg. 022
County of Sacramento, Calif.

Exhibit G

Approved Plans per Design Review

MEMORANDUM

Rancho Cordova All-America City 2010

DATE: July 24, 2012

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator
William Campbell, Principal Planner

SUBJECT: **RESOULTION APPROVING A DESIGN REVIEW FOR HORIZONS @ NEW RANCHO – PROJECT NO. DD7563; LOCATED AT 2738 WOODBERRY WAY**

APPLICANT/DEVELOPER:	**ARCHITECTS:**
UHC 00516 Rancho Cordova, L.P. 2000 E Fourth Street, Suite 205 Santa Ana, CA 92705	KTGY Architecture + Planning 17992 Mitchell South Irvine, CA 92614 Stricker Cato Murphy Architects, P.S. 311 First Avenue South, Suite 300 Seattle, WA 98104

PROJECT:	Horizons @ New Rancho Design Review- Design Review approval for a 48 unit age restricted senior housing project. The City of Rancho Cordova and Urban Housing Communities will sponsor the development of this modular, three-story apartment project, consisting of 42 one-bedroom, 608 square feet, units and 6 two-bedroom, 828 square feet units.
FILE:	DD7563- Major Design Review
LOCATION:	2738 Woodberry Way
APN:	057-0221-022
PLANNER:	William Campbell, Principal Planner

RECOMMENDATION

Adopt Resolution 75-2012

RESULT OF RECOMMENDED ACTION

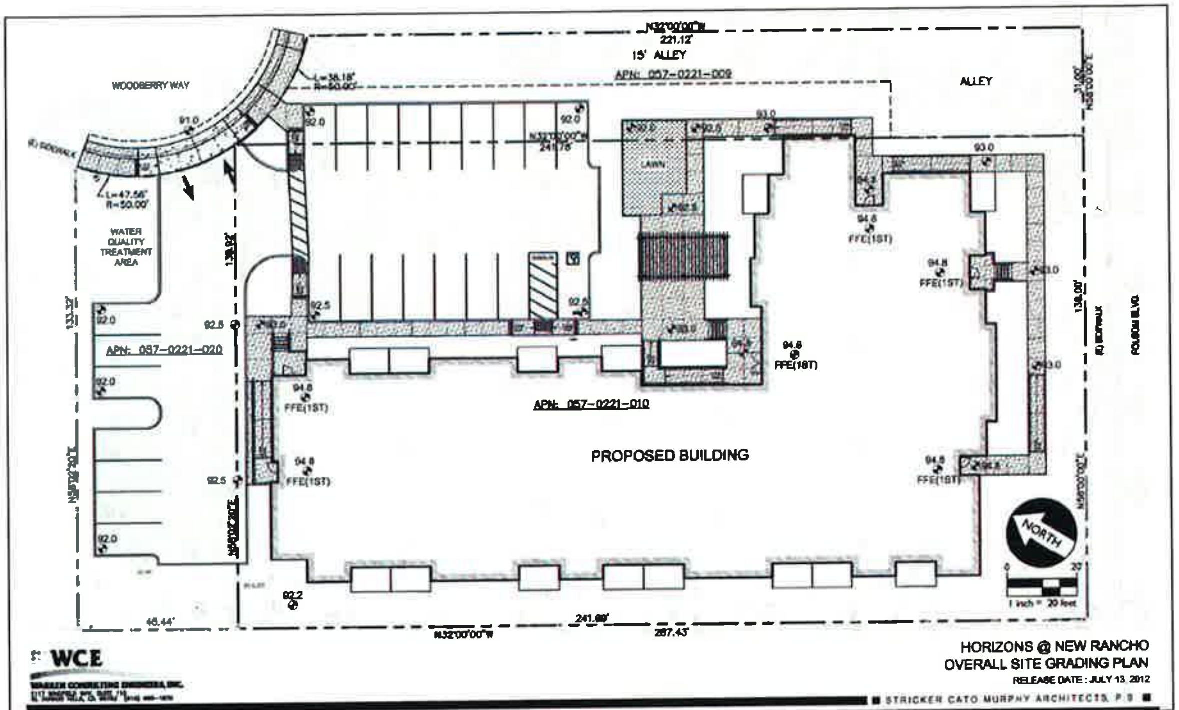
The proposed project is the second phase of the "New Rancho" project (the first phase being Crossings @ New Rancho) and will provide a total of 48 affordable units in an area close to transit and existing commercial establishments. The two projects, Crossings and Horizons, replace several severely deteriorated structures that negatively impacted the immediate area. The Horizons project will provide residential development on Folsom Boulevard, and will promote one of the major goals of the Folsom Boulevard Specific Plan to reduce substandard buildings along Folsom Boulevard.

ADVANCES GOALS: 1 and 2

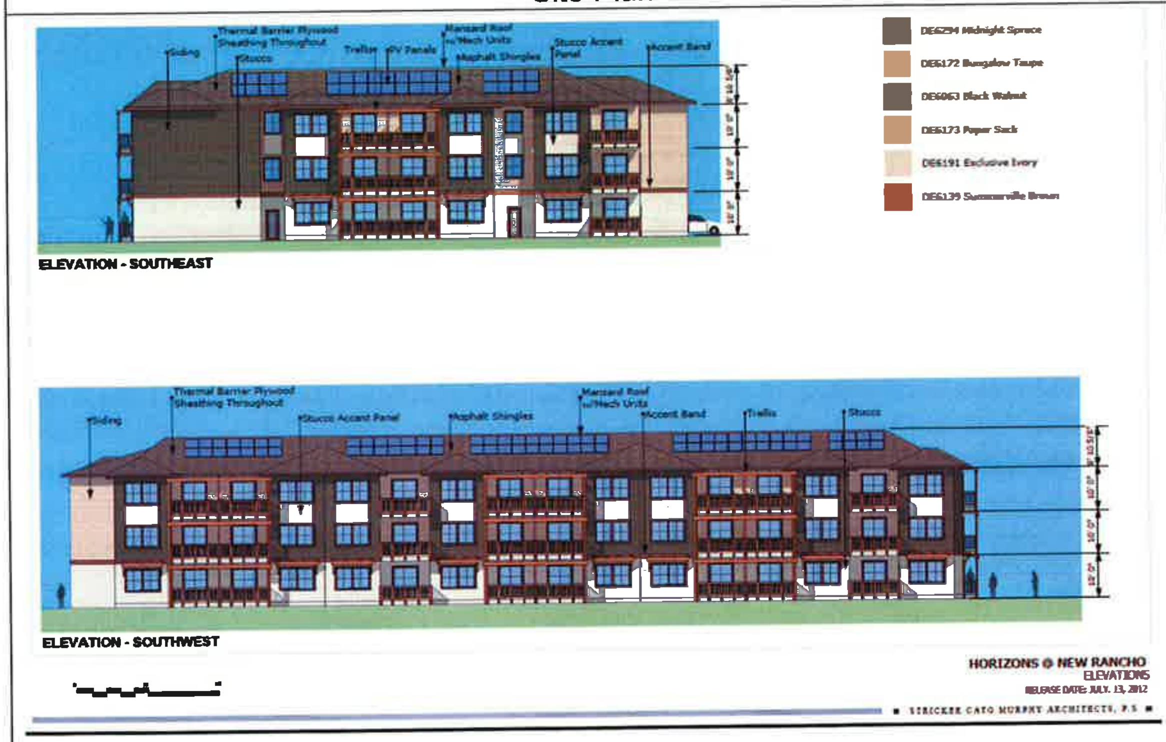
BACKGROUND

The City and Rancho Cordova Redevelopment Agency, before its demise, assisted its developer partner, Urban Housing Communities, to acquire seven properties which comprised the New Rancho Redevelopment Project. These actions were necessary in order to clear the old, deteriorated, and foreclosed housing units and commercial structures. The developer subsequently received approval for the construction of the first phase of the project plan – Crossings @ New Rancho. This development has been completed and is now fully occupied. With this application, Urban Housing Communities has initiated the second phase of the overall development plan, Horizons @ New Rancho. The City and Developer have entered into an Exclusive Negotiation Rights Agreement and plan to enter into a Development Disposition Agreement in November of this year to fully improve the remaining 1.07 acres. The Horizons will supply housing for 48 senior households and ultimately will be totally financed through private investment, State and Federal Grant funds and Tax Credit monies.

Figure 1- Location Map



Site Plan



Typical Building Elevation

The project is designed to be a single, three-story, apartment building served by an elevator and interior corridors. This project is unique for the City, in that the unit modules will be manufactured off-site, transported to the site, and then stacked. As such, the units provide an interesting design option by allowing greater offsets to the building walls over conventional stick framing. The merits of the design are addressed in the finding and evidence section of the accompanying resolution. Staff believes the design will provide an attractive new concept for the area that can be used as a template for other new developments. The project design will incorporate energy saving features with the goal of a "Net Zero" electric use rating. The project will provide solar water heating and solar photovoltaic arrays to offset the energy needs of the units and the common area. The panels are proposed to be installed on the roof and on the top surface of the parking carports.

FOLSOM BOULEVARD SPECIFIC PLAN CONSISTENCY

The Folsom Boulevard Specific Plan is the regulatory document that guides development of the proposed project site. The Specific Plan includes both high level expectations for revitalizing Folsom Boulevard and specific development regulations that apply to individual projects.

Overall Specific Plan Goals

The Folsom Boulevard Specific Plan includes 11 specific goals that guide the transformation of development along the Boulevard. The following six goals from the Specific Plan pertain to the proposed project.

- *Create a Boulevard that will serve as the high-intensity development center of the City.*
- *Develop transit-oriented activity nodes strategically located at light rail stations and freeway interchanges; these nodes will serve as catalyst sites for redevelopment.*
- *Provide additional housing opportunities and developments that support transit ridership.*
- *Ensure development will take advantage of the proximity and availability of light rail to and from the Area.*
- *Create opportunity for identifiable project design that contributes to the enhanced character of the City.*
- *Enrich the pedestrian environment along the Boulevard through well designed and appropriately scaled/articulated projects.*

Staff has evaluated the proposed project against the relevant Specific Plan goals and found the project to be consistent with the intent of these goals. However, as initially proposed, the project does not appear to have an adequately strong relationship to Folsom Boulevard. The project should create a strong relationship and connection to Folsom Boulevard that would enhance pedestrian circulation, promote light rail ridership and encourage shopping at adjacent businesses. Therefore, staff has proposed conditions of approval to address improvements of the south face of the proposed building, adjacent landscape improvements and the fencing/gates along Folsom Boulevard to improve the connection between the project and Folsom Boulevard.

<u>Consistency with Development Standards</u>

The project is located within the UR-2 zone of the Folsom Boulevard Specific Plan and the development standards that apply to the UR-2 zone are listed in the RMU Residential Mixed Use category of the Zoning Code, they include:

1. *Building Setbacks:*
   - *Front- 10 ft minimum*
   - *Interior side- 0 ft.*
   - *Rear- 10 ft. minimum*

2. *Building Height- 50 feet maximum*

3. *Floor Area Ratio- (na)*

4. *Density- 6 (min.) to 40 (max.) units/acre- current project is 44.85 units/acre.* City Council approved a density bonus for this site by Resolution 15-2010.

5. *Parking Standards:* The Specific Plan defers to the Rancho Cordova Zoning Code for determining required on-site parking. Consistent with Zoning Code requirements, the project is providing a total of 24 onsite parking spaces that provides approximately .5 parking spaces per unit. 18 of the 24 spaces are covered and the structures will support some of the solar panels.

The proposed project will meet the minimum development standards.

CONCLUSION

The approval of this project will allow the Developer to submit for State grant funding and to receive tax credits for the development. This project will also contribute to the stated goals and policies of the Housing Element in meeting the targeted objectives towards providing housing for all economic groups while satisfying certain City obligations for the timely replacement of substandard housing demolished within the Redevelopment area.

ENVIRONMENTAL ANALYSIS

This project is Categorically Exempt under Section 15332, In-Fill Development, of the California Environmental Quality Act Guidelines. A full Environmental Assessment has been conducted and updated that fulfills the NEPA requirements for this project and it has been approved by both the Federal Department of Housing and Urban Development and the California Department of Housing and Community Development.

RECOMMENDED MOTION

"Move the City Council adopts Resolution 75-2012 approving the design of the 48 unit senior housing project as submitted, subject to the design package, Exhibit A and the Conditions of Approval, Exhibit B."

ATTACHMENTS

1. Resolution 75-2012, including Design Package (Exhibit A) and Conditions of Approval (Exhibit B).
2. 500' radius map
3. Mailing labels used for Public Hearing Notice

CITY OF RANCHO CORDOVA

RESOLUTION NO. 75-2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA APPROVING A DESIGN REVIEW FOR THE HORIZONS @ NEW RANCHO, PROJECT DD7563

WHEREAS, UHC 00575 Rancho Cordova, L.P. (hereinafter referred to as Applicant) filed an application with the City of Rancho Cordova to approve a Design Review for a new three story 48 unit affordable housing senior project, known has the Horizons @ New Rancho; and

WHEREAS, The City Council previously approved a density bonus for the development of this site by Resolution 15-2010; 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, THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA HEREBY RESOLVES AS FOLLOWS:

1. Determine the project assessment is adequate and complete according to the Guidelines of the California Environmental Quality Act.

   a) *Finding: The project site has been analyzed in compliance with the California Environmental Quality Act.* Evidence: The City of Rancho Cordova adopted an Environmental Impact Report for the Folsom Boulevard Specific Plan, and issues of aesthetics of the development for the project site were adequately addressed within the document. The project has further been determined to be categorically exempt, according to Section 15332 and the project will not create any significant adverse impact on the environment.

2. Approve the Major Design Review, subject to the Project Plans (**Exhibit A**) and the Conditions of Approval (**Exhibit B**); supported by the following Findings and Evidence, as required by Zoning Code Section 23.141.050:

   a) *Finding: The proposed project is consistent with the objectives of the General Plan, complies with applicable zoning regulations, Specific Plan provisions, and Special Planning Area provisions, and is consistent with the applicable Rancho Cordova Design Guidelines.* Evidence: The General Plan designation and Folsom Boulevard Specific Plan designation for this property is Urban Reserve-2, wherein high density multi-family residential units are consistent with both designations. The proposed project has been designed to meet the applicable regulations of the Specific Plan and Design Guidelines, including setbacks, height regulations, and density for this site.

   b) *Finding: The proposed architecture, site design, and landscape are suitable for the purposes of the building and the site and will enhance the character of the neighborhood and community.* Evidence: The Developer has provided a design package that clearly illustrates the composition and form of the new units. The basic structure is composed of modular units stacked to create the building form. A roof structure has been designed to give the appearance of a full roof, however a mechanical equipment well has been provided to hide the A/C units (see roof plan, Exhibit A). The new plan emulates characteristics of the Craftsman style and uses complementary materials and colors to coordinate with the "Crossings" project to the north. The three story structure is treated with a veneer of stucco on the ground floor and a combination of horizontal siding and stucco panels to accent the wall panels. The unit floor plans provide an opportunity to create offsets to the exterior walls of the building and the projecting balcony structure adds to the articulation of the structure. The Applicant has submitted preliminary landscape plans with the Design Review package (**Exhibit A**). A condition has been placed on the project that will require approval from the Planning Director, in order to accommodate refinements to the site improvement plans, prior to building permits are issued.

c) *Finding: The architecture, including the character, scale, and quality of the design, relationship with the site and other buildings, building materials, screening of exterior appurtenances, exterior lighting and signing, and similar elements establishes a clear design concept and is compatible with the character of existing or anticipated buildings on adjoining and nearby properties.* Evidence: The architectural style is distinctive in mass and in its details for a structure that is modular and stacked. The color and material palettes are complementary to the Crossings project, which include stucco, horizontal sidings, and heavy timber balcony railings and support structure to add to the overall design of the building. The building wall mass is offset to provide greater articulation to the vertical mass, along with changing roof sheds to break the monotony of a single ridge roof system. The southern elevation, facing Folsom Blvd will be an attractive addition to the street front by incorporating the conditions of approval to that elevation and provide a better pedestrian connection to the boulevard.

d) *Finding: The proposed project will not create conflicts with vehicular, bicycle, or pedestrian transportation modes of circulation.* Evidence: The units and site configuration have been designed to provide dedicated pedestrian walkways from the units to the public sidewalk. The on-site parking lot is appropriately configured to serve the units and reduce the conflict between vehicle and pedestrian movement. The project will also be linked to a more accessible path to Folsom Boulevard and the commercial businesses and transit opportunities along the corridor.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 24th day of July, 2012 by the following vote:

AYES: McGarvey, Cooley, and Vice Mayor Budge

NOES: None

ABSENT: Sander and Skoglund

ABSTAIN: None

L Budge

Linda Budge, Vice Mayor

ATTEST:

Mindy Cuppy

Mindy Cuppy, CMC, City Clerk

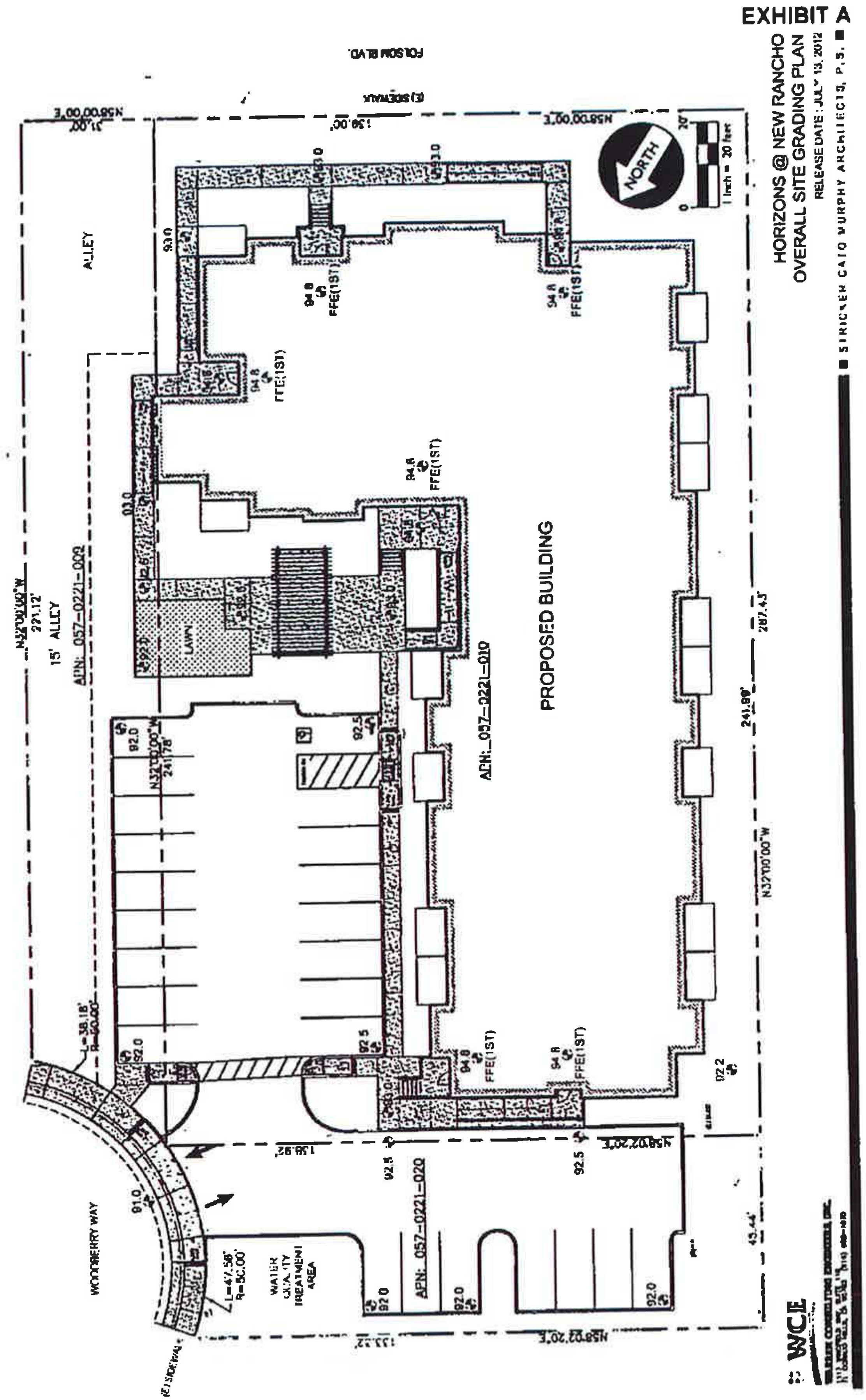


EXHIBIT A
HORIZONS @ NEW RANCHO
OVERALL SITE GRADING PLAN
RELEASE DATE: JULY 13, 2012
NORTH
1 inch = 20 feet
FOLSOM BLVD.
ALLEY
15' ALLEY
APN: 057-0221-009
APN: 057-0221-010
APN: 057-0221-020
PROPOSED BUILDING
LAWN
WATER QUALITY TREATMENT AREA
WOODBERRY WAY
N58°00'00"E
N32°00'00"W
N58°02'20"E
FFE(1ST)
WCE

EXHIBIT A


STRICKER CATO MURPHY ARCHITECTS
311 1st AVE. S., STE. 300
SEATTLE, WA 98104
TEL (206) 224-4800 FAX (206) 322-2875
WWW.SCM-ARCH.COM
HORIZONS @ NEW RANCHO
URBAN HOUSING COMMUNITIES
A2.01
SCMA

EXHIBIT A

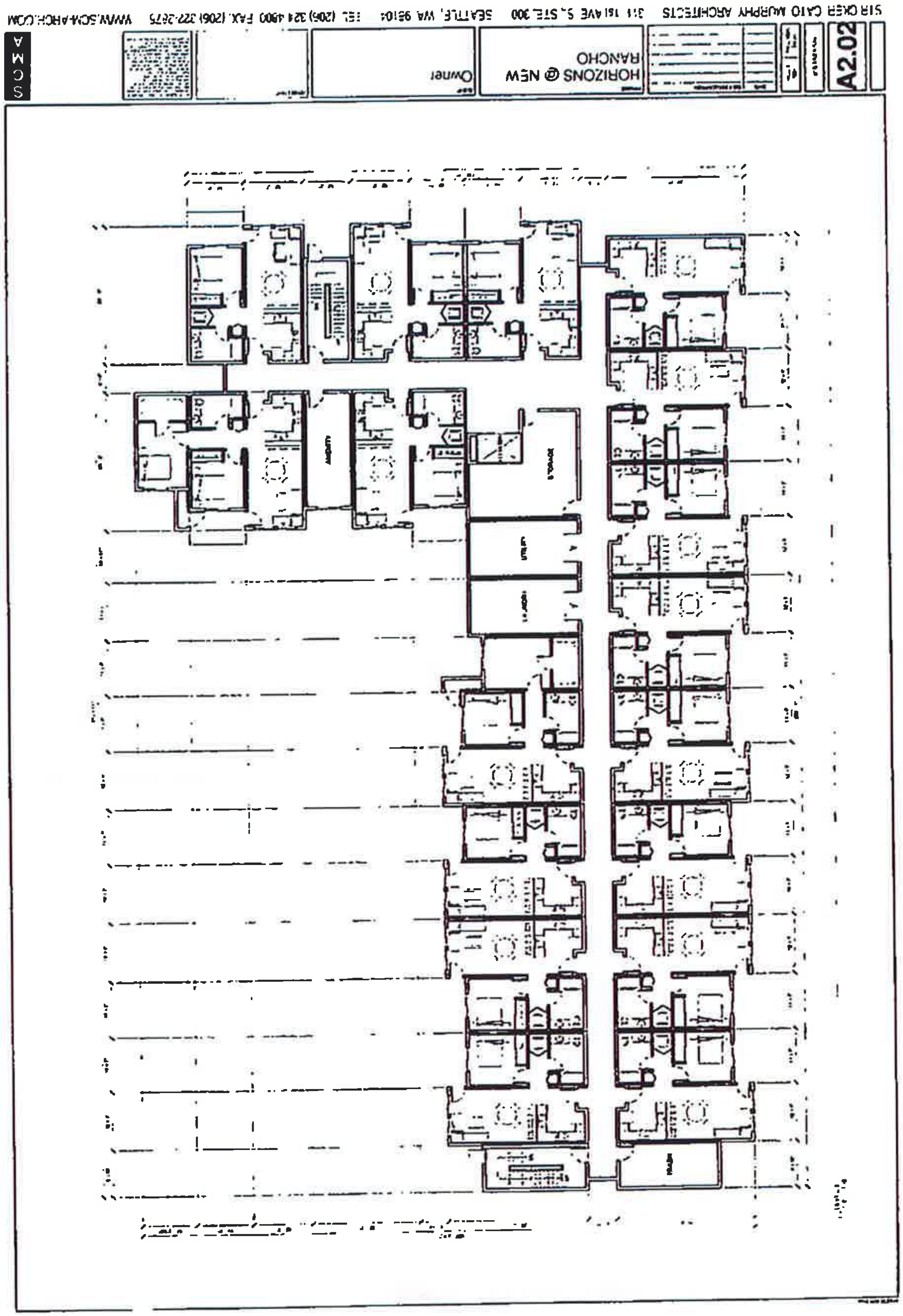


EXHIBIT A

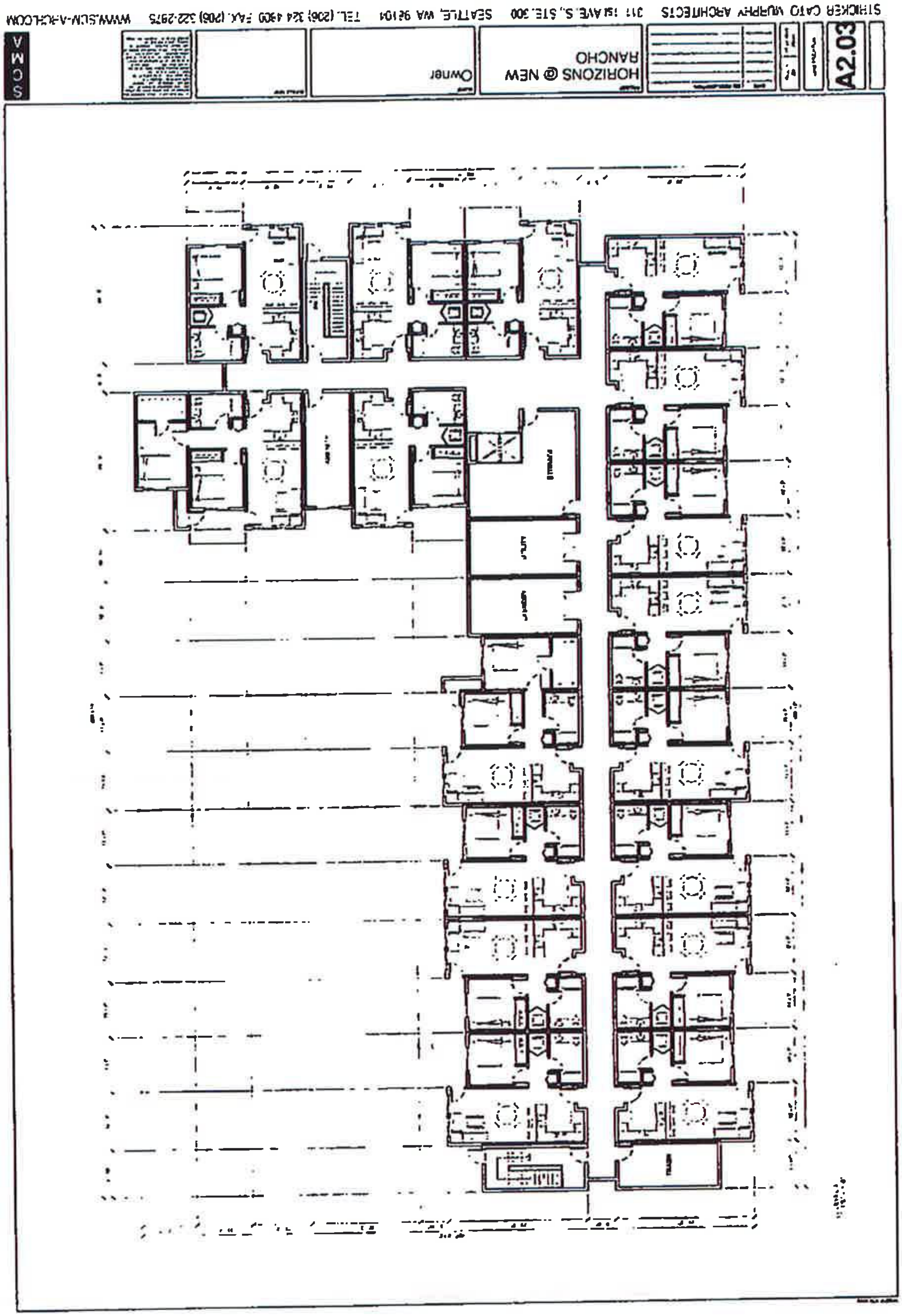
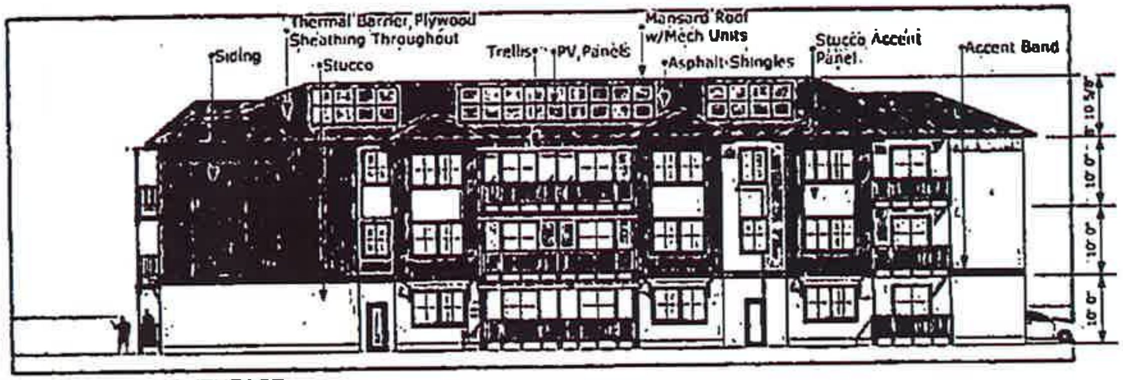
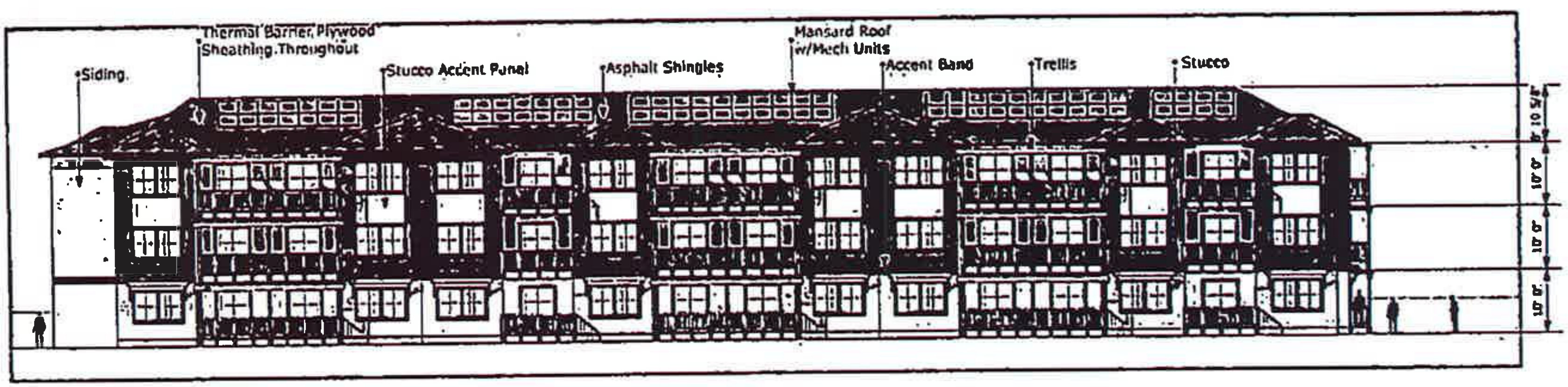

STRICKER CATO MURPHY ARCHITECTS
SEATTLE, WA 98104
HORIZONS @ NEW RANCHO
Owner
A2.03
S C M A

EXHIBIT A



ELEVATION - SOUTHEAST



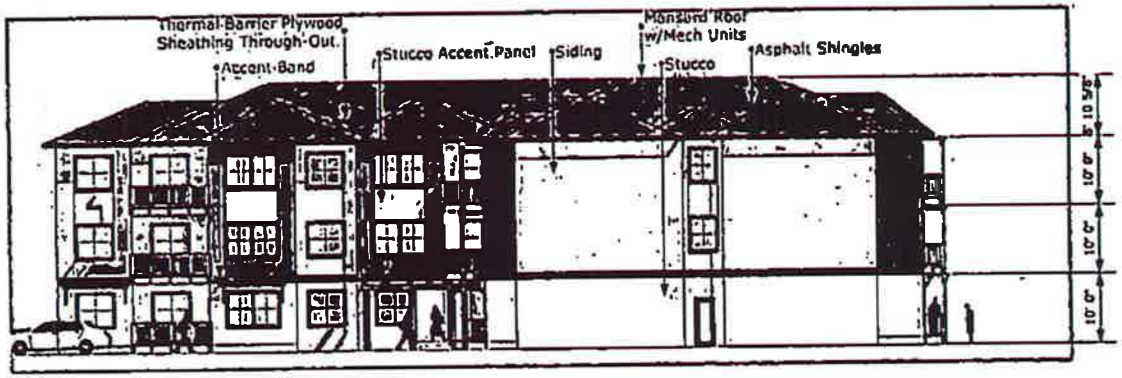
ELEVATION - SOUTHWEST

- DE6294 Midnight Spruce
- DE6172 Bungalow Taupe
- DE6063 Black Walnut
- DE6173 Paper Sack
- DE6191 Exclusive Ivory
- DE6139 Summerville Brown

HORIZONS @ NEW RANCHO
ELEVATIONS
RELEASE DATE: JULY. 13, 2012

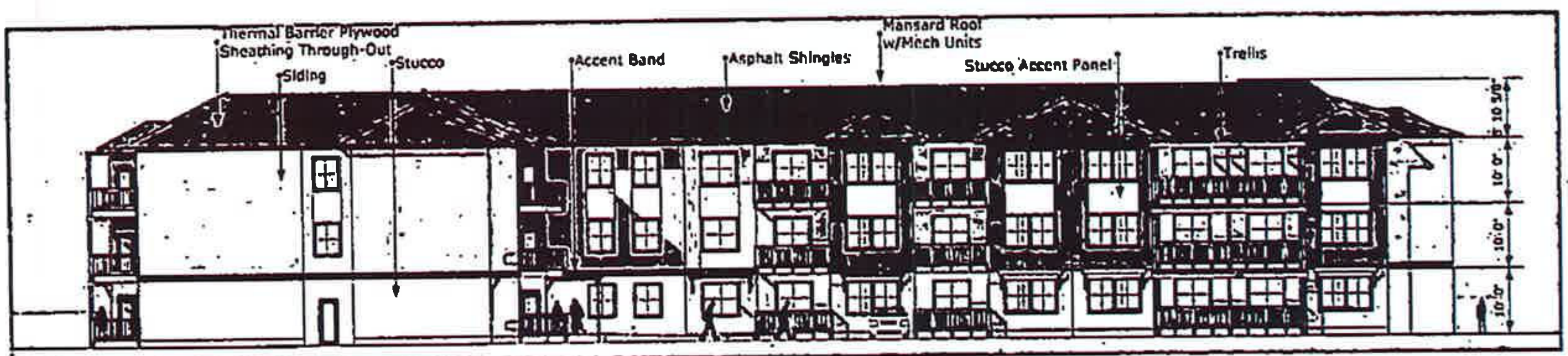
STRICKER CATO MURPHY ARCHITECTS, P.S.

EXHIBIT A



ELEVATION - NORTHWEST

- DE6294 Midnight Spruce
- DE6172 Bungalow Taupe
- DE6063 Black Walnut
- DE6173 Paper Sack
- DE6191 Exclusive Ivory
- DE6139 Summerville Brown



ELEVATION - NORTHEAST

HORIZONS @ NEW RANCHO
ELEVATIONS
RFI FASE DATE: JULY. 13, 2012
STRICKER CATO MURPHY ARCHITECTS, P.S.

EXHIBIT A

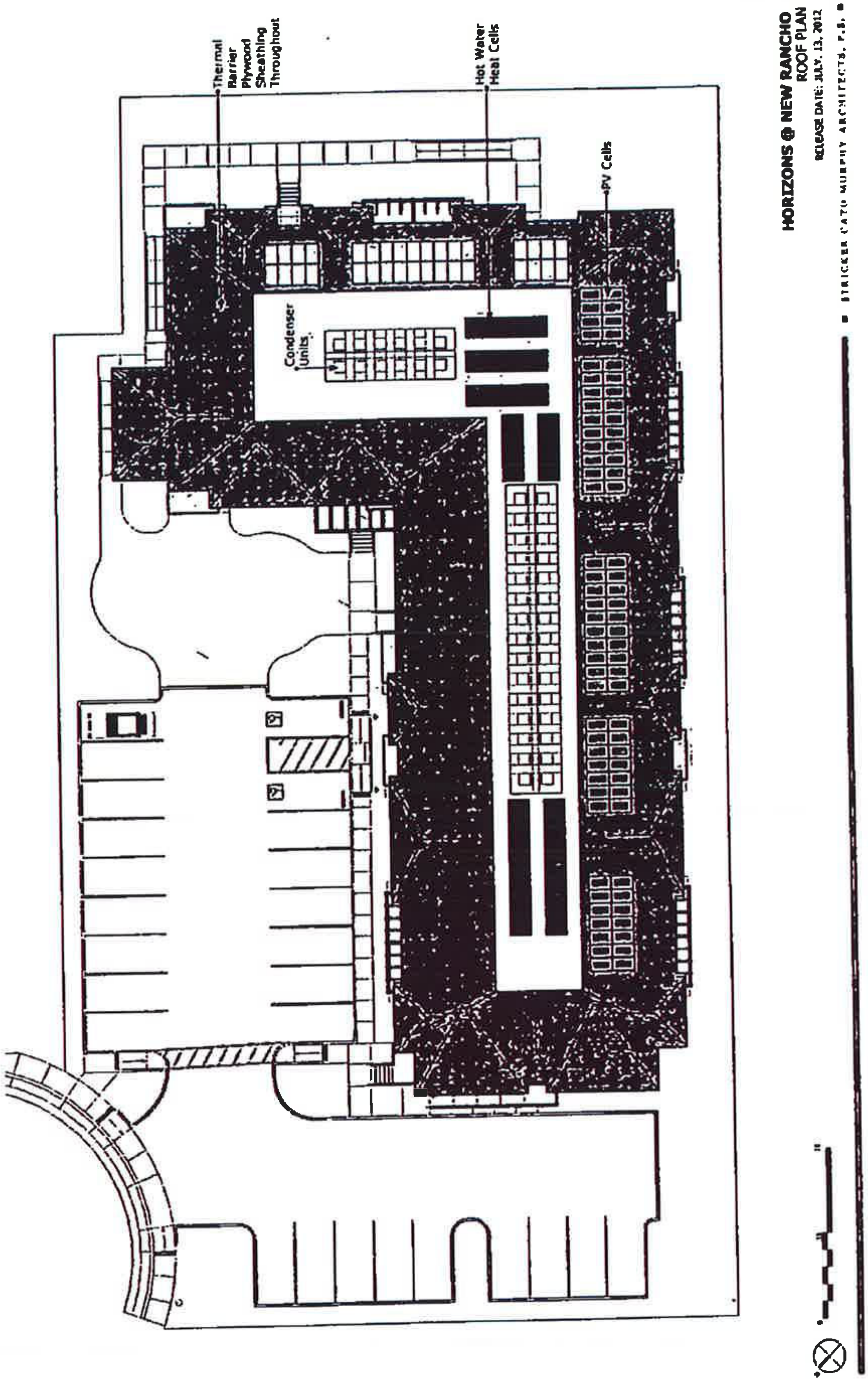

HORIZONS @ NEW RANCHO
ROOF PLAN
RELEASE DATE: JULY. 13, 2012
STRICKER CATO MURPHY ARCHITECTS, P.S.
Thermal Barrier Plywood Sheathing Throughout
Hot Water Heat Cells
PV Cells
Condenser Units

EXHIBIT A

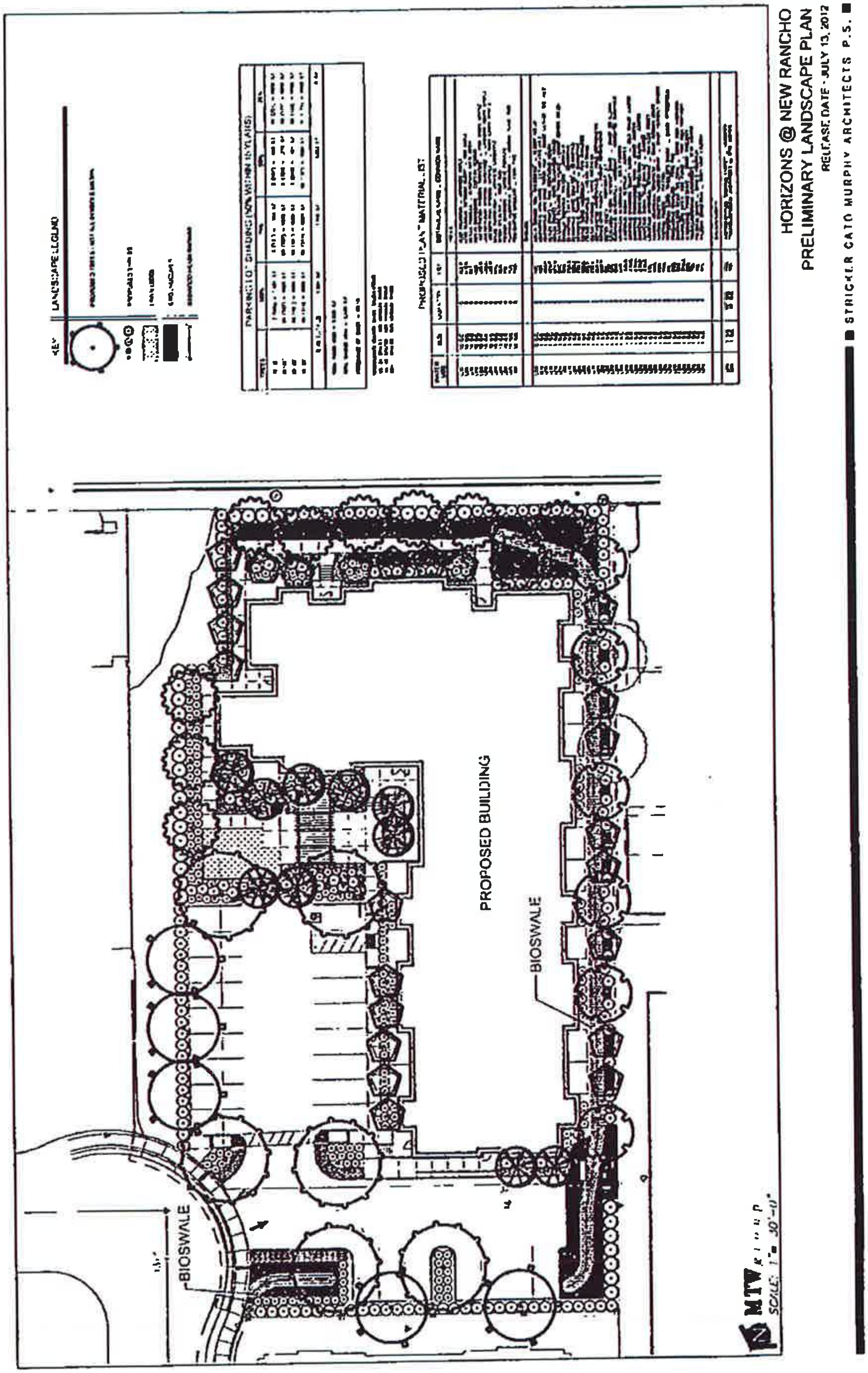

HORIZONS @ NEW RANCHO
PRELIMINARY LANDSCAPE PLAN
RELEASE DATE - JULY 13, 2012
STRICKER CATO MURPHY ARCHITECTS P.S.
LANDSCAPE LEGEND
PROPOSED PLANT MATERIAL LIST
PROPOSED BUILDING
BIOSWALE
BIOSWALE
SCALE: 1"= 30'-0"

EXHIBIT B

Conditions of Approval

		Timing/ Implementation	Enforcement/ Monitoring	Verification (date and signature)
1.	The project shall be constructed in substantial compliance with the approved Design Review Package (Exhibit A) for the three story 48 unit senior housing project, located on Woodberry Way, north of Folsom Blvd. This Design Review approval applies to the following APN's: 057-0221-022.	On-Going	Planning	
2.	The 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.	On-Going	Planning	
3.	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.	On-Going	Finance	
4.	Applicant shall be responsible for all damage to City streets associated with construction of the project and shall repair any damage as soon as possible.	On-Going	Public Works	

EXHIBIT B

Conditions of Approval

	Prior to Issuance of Improvement Plans			
5.	Applicant shall photo-document the condition of adjacent streets, sidewalks and infrastructure to the satisfaction of the Public Works Department.	Prior to Approval of Improvement Plans	Public Works	
6.	Enter into a frontage agreement for those portions of Woodberry Way and Folsom Blvd the project is adjacent and bond for construction of public improvements to the satisfaction of the Public Works Department.	Prior to Approval of Improvement Plans	Public Works	
7.	Provide drainage easements as needed and pay any fee required by the Sacramento County Water Agency Code. Install facilities pursuant to the Sacramento County Floodplain Management Ordinance, Sacramento County Water Agency Code, and City of Rancho Cordova Improvement Standards. If the system is to be a private system, then it shall be labeled as such on the improvement plans and a copy of an approved and executed private maintenance agreement shall be provided to the City of Rancho Cordova.	Prior to Approval of Improvement Plans	Public Works	
8.	Incorporate into the site improvement plans storm water quality measures in conformance with applicable County ordinances & standards, and state and federal law. The project may implement low impact development design pursuant to and consistent with *The Storm Water Quality Design Manual for the Sacramento & South Placer Regions.* Such implementation may be able to reduce the storm water quality treatment requirement.	Prior to Approval of Improvement Plans	Public Works	
9.	Annex to the Storm Water Utility District.	Prior to Approval of Improvement Plans	Public Works	
10.	Applicant shall submit improvement plans to the satisfaction of the Public Works Department. Improvement plans shall include, but shall not be limited to: • All onsite civil improvements. • Civil plan shall include an ADA access plan.	Prior to Approval of Improvement Plans	Public Works	

Conditions of Approval

	• All property frontage on Woodberry Way and Folsom Blvd, including but not limited to, sidewalk, driveways, curb & gutter, etc. shall be removed and replaced to meet current ADA requirements and City Standards. The current improvements do not meet ADA guidelines. • Indicate the size and location of all driveways. • Location of all utility laterals to the site. • Public improvement plans shall clearly delineate all transitions to existing improvements. • All improvements to be designed and constructed to the satisfaction of the Public Works Department.			
11.	If the total area of the developed or redeveloped impervious surfaces (building rooftop, flat work, and parking areas) equals or exceeds 1.0 acres, incorporate into the site improvement plans permanent storm water quality treatment measures in conformance with applicable County ordinances & standards, and state and federal law.	Prior to approval of improvement plans	Public Works	
	Prior to Issuance of Building Permits			
12.	Property Owner/Applicant shall participate in a funding mechanism for maintenance services for the fair share of existing and all new public improvements associated with the project including but not limited to streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, and street lights. This may be accomplished through annexation to the City Road Maintenance Community Facilities District. All costs associated with the annexation shall be borne by the Property Owner/Applicant. Contact: Elizabeth Sparkman at (916) 851-8714 as there may be a 2-3 month lead time to satisfy this condition.	Prior to Issuance of Building Permits	Public Works	

Conditions of Approval

13.	The buildings and site development shall be reviewed for architectural consistency with the approved plans by the Planning Director. The following items shall be included to improve the Folsom Blvd frontage, in the following areas: • Develop a prominent entry features, including building articulation, architectural elements, walkways and prominent gate entry to access the site directly from Folsom Blvd. • Provide a formal patio area, adjacent to the Community Room with garden walls and a shade structure, according to the provisions of the Front Yard and Porch standards of Table IV-6 of the FBSP. • Provide a perimeter fence detail for the property that promotes pedestrian access to Folsom Blvd.	Prior to Issuance of Building Permits	Planning	
14.	Submit final site landscaping and fence detail plans for review and approval by the Planning Director.	Prior to Issuance of Building Permits	Planning	
15.	Applicant shall prepare a site security plan, including, but not limited to surveillance cameras, perimeter fence, locking gates and card activated entrance gate to be reviewed and approved by the Planning Department, in coordination with the Police Department.	Prior to Issuance of Building Permits	Planning	
	Prior to Final Inspection and Utility Release			
16.	The building, security system and landscaping shall be inspected, prior to requesting final inspection from the Building Department.	Prior to Final Building Inspection	Planning	
17.	All street trees shall be approved by the City's Engineer and Planning Director.	Prior to Final Building Inspection	Planning	
18.	Install improvements per the approved Public Works plans and to the satisfaction of the Public Works Department.	Prior to Final Building	Public Works	

Conditions of Approval

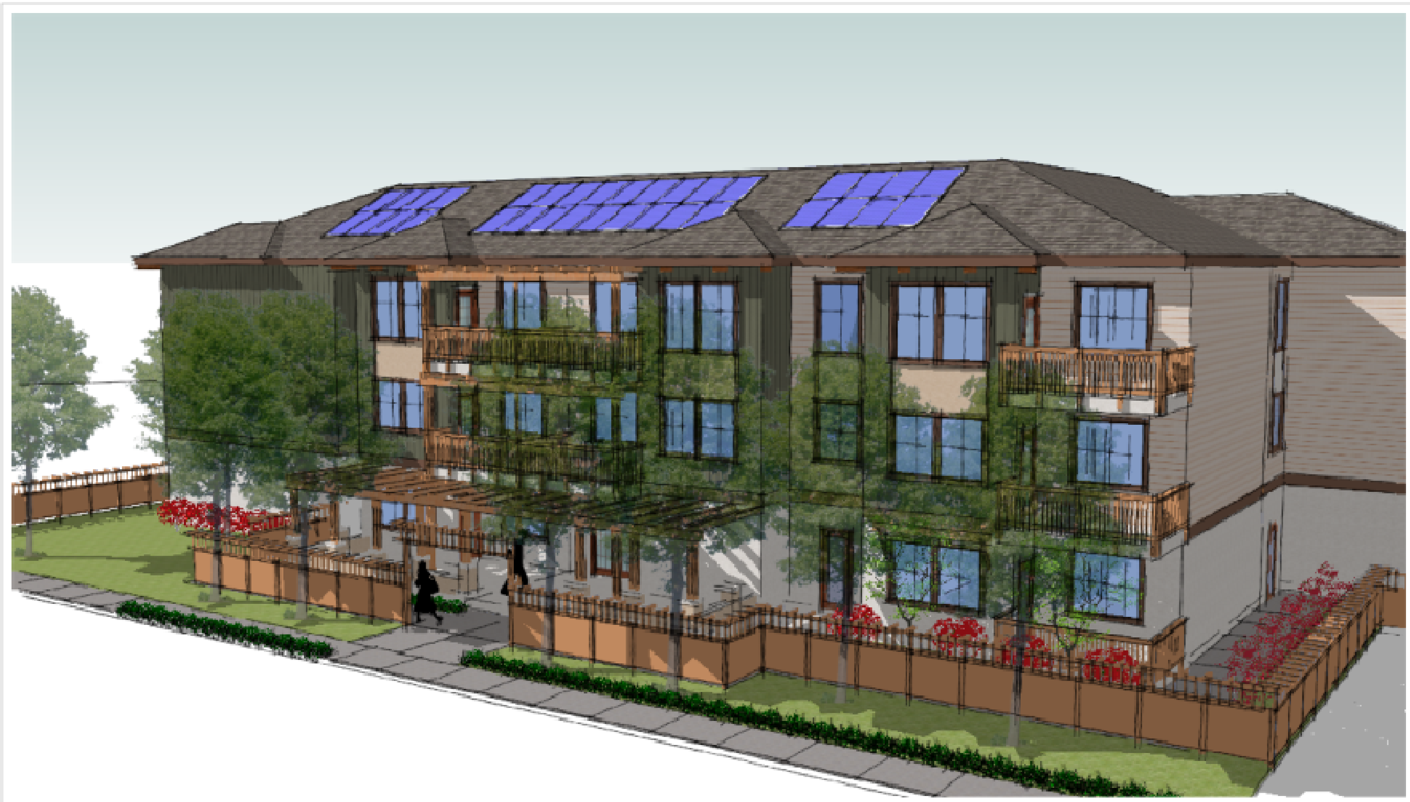
		Inspection		
19.	As-Built reproducible grading and improvement plans, as well as a compact disc containing said plans in AutoCAD format, shall be submitted and approved by the Public works Department.	Prior to Final Building Inspection	Public Works	

Horizons @ New Rancho – Adoption of DDA

Rancho Cordova City Council
Reed Flory, Housing Services Administrator
February 26, 2013

Horizons Project Area

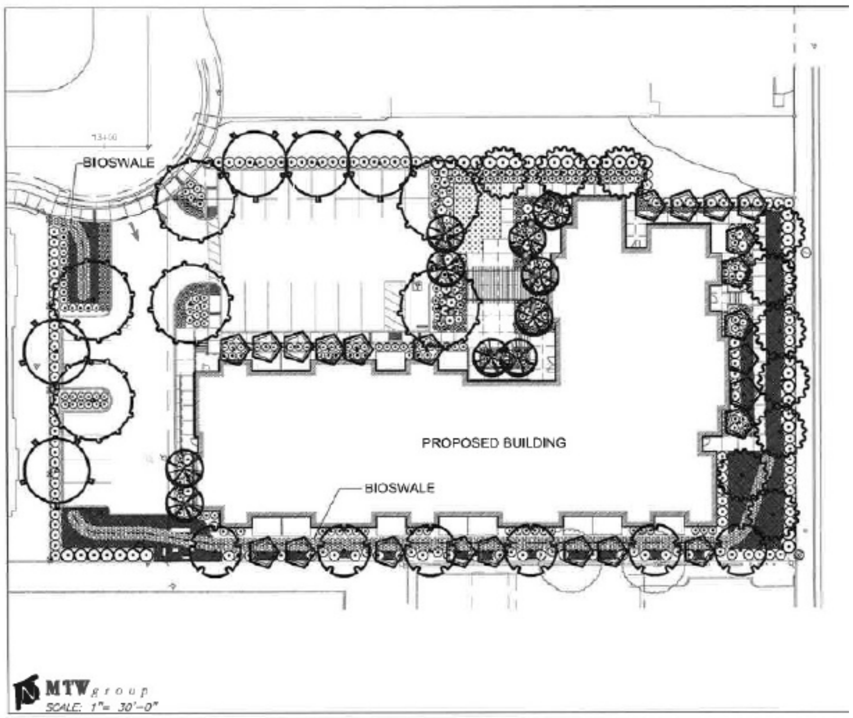
Folsom Blvd Frontage Concept



Site Plan

First Floor Plan

Landscape Plan



Financing Plan

SOURCES OF FUNDS	Total	Per Unit
Permanent Loan	$ 495,000	$ 10,313
Federal 9% Tax Credit Proceeds	$ 8,263,856	$ 172,162
FHLB (AHP)	$ 470,000	$ 9,792
City Soft Loan	$ 3,285,166	$ 68,441
Deferred Developer Fee	$ 287,296	$ 5,985
State Tax Credits	$ 1,721,696	$ 35,869
TOTAL SOURCES OF FUNDS	**$ 14,523,014**	**$ 302,562**
USES OF FUNDS		
Acquisition Costs	$ 1,268,153	$ 26,420
New Construction Costs	$ 8,669,111	$ 180,606
Contingency	$ 433,455	$ 9,030
Relocation	$ 170,755	$ 3,557
Architecture Fees	$ 236,245	$ 4,922
Survey and Engineering	$ 71,143	$ 1,482
Construction Financing	$ 768,595	$ 16,012
Permanent Financing	$ 20,000	$ 417
Legal Fees	$ 329,552	$ 6,866
Reserves	$ 150,000	$ 3,125
Other Soft Costs	$ 1,206,005	$ 25,125
Developer Fees	$ 1,200,000	$ 25,000
TOTAL USES OF FUNDS	**$ 14,523,014**	**$ 302,562**

Horizons Development Schedule

Tax Credit Submittal	March 6, 2013
Notice of Tax Credit Award	June 12, 2013
Construction Loan Close/ Construction Start	September 2013
Construction Completion/ Initial Occupancy	July/August 2014

FOLSOM BOULEVARD SPECIFIC PLAN

Rancho Cordova City Council
Paul Junker, Planning Director
February 26, 2013

Meeting Purpose

- Define City Council's expectations for Folsom Boulevard.
- Determine how planning tools (Specific Plan) should be amended to meet Council expectations.
- Receive guidance that allows staff to prepare a scope, budget, and schedule for amending the FBSP – to be presented to City Council at a future date.

Background – What is a Specific Plan?

- Policy and/or regulatory planning tool
- Implements GP and establishes more detailed policies for a particular area
- Establishes unique zoning rules and regulations for a particular area
- Creates standards for both private development and public improvements
- Includes implementation plan and actions

Background – Historic Context

- Folsom Boulevard planning conducted during General Plan process
- Extensive community input
- Market analysis and opportunity sites
- GP adopted June 2006 with overall vision, goals, and policies for Folsom Boulevard (directed preparation of a SP for FB)
- FBSP land use designations adopted 2006
- FBSP development standards adopted 2008

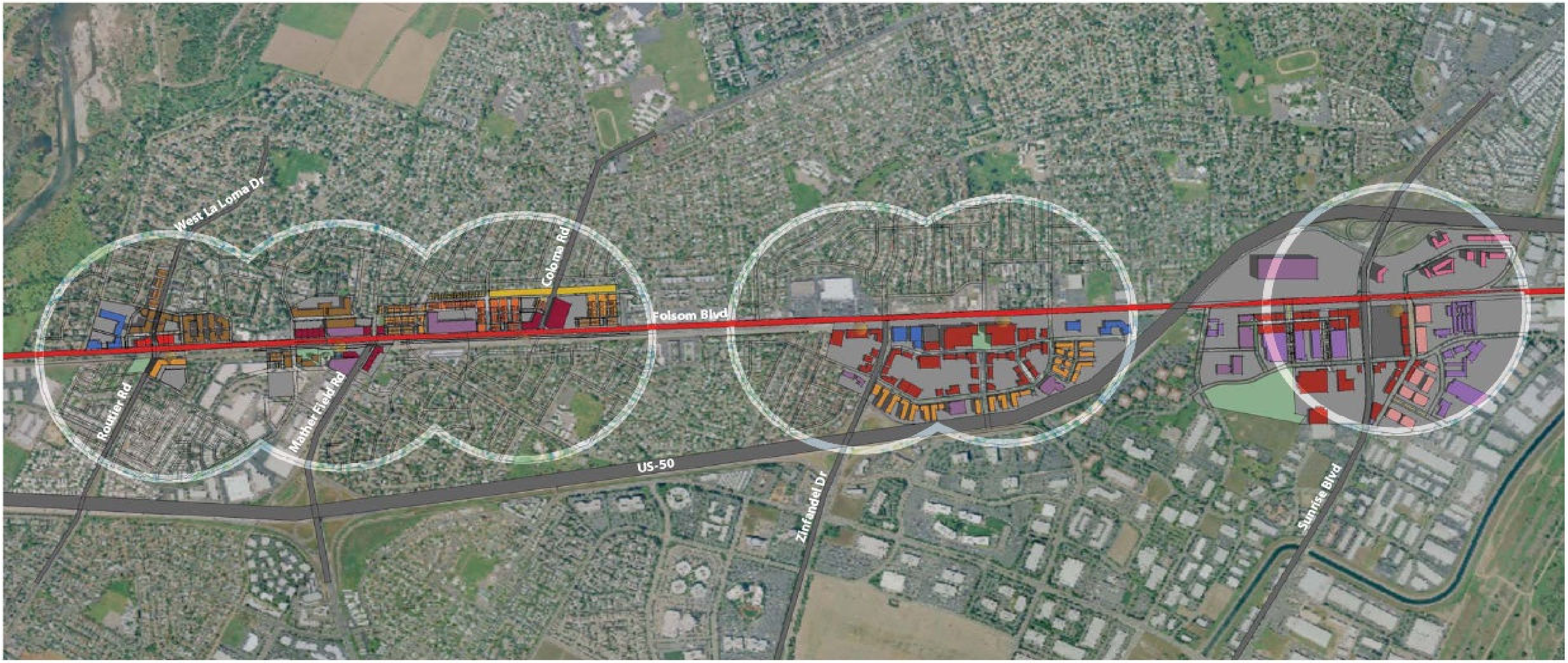
Background – FBSP Highlights

- Vision (repurpose, revitalize, transform)
- Goals (TOD, housing, Downtown, design)
- Development process (design review, density transfer, integrated development)
- Land use designations and unique development standards
- Convention Overlay (encompasses a portion of the eastern SP boundary)

Background – BIG Ideas

- Introduction of residential uses to 80% of the Boulevard
- Development standards that are form based instead of set by land use type
- 5 Pulse Points
  - Routier/West La Loma, Mather/Mills, Coloma, Zinfandel, Sunrise
- Transit Oriented Development
- Re-green the Corridor

Folsom Boulevard Pulse Points



Routier/West La Loma	Mather/Mills	Coloma	Zinfandel	Sunrise
Character •Transit oriented •Well connected to established neighborhoods •Heavy residential with supportive commercial	Character •Transit oriented •Blend of residential, office & commercial •24 hour environment	Character •Neighborhood gateway •Neighborhood serving mixed use •Balanced jobs/housing	Character •Vibrant Downtown •Civic center surrounded by heavy mixed use commercial •TOD flanked by office & residential	Character •Large-scale development •Regional draw •Convention center with support uses
Anticipated Stories	Anticipated Stories	Anticipated Stories	Anticipated Stories	Anticipated Stories
1-5	1-6+	1-3	1-8+	1-10+

Development within Pulse Points

Background – Amendments

- The FBSP has been amended to address the needs of the community:
  - 2006 Land Use Designations Adopted
  - 2008 Development Standards Adopted
  - 2009 UR-1, UR-2 Districts Established
  - 2011 UR-3 District Established
  - 2012 Development Standards Exemption and Building Replacement Policy Established

Background – Relationship to Economic Development

- FBSP effects on Economic Development:
  - Positive:
    - A vision is required to attract major investment
    - Potential to cluster development in key locations
    - Long term vision helps focus public and private investment
  - Negative:
    - Current vision does not meet economic realities
    - Need incremental investment before the "big vision" can become a reality
    - Complex regulations are difficult to understand
    - Convention Overlay severely limits allowed uses

Successes & Challenges

- Successes
  - Regional Recognition: SACOG Award for FBSP
  - Supported grant applications for infrastructure and TOD studies and analysis
  - Supported application for funding of Crossings and Horizons projects
  - Special Regulated Uses: FBSP provides the ability to not allow certain uses (i.e. card rooms, thrift stores, massage parlors)
  - FBSP regulations were the basis for eliminating the Stagger Inn building

Successes & Challenges

- Challenges
  - Property owners in the UR-1 and UR-2 Districts face restrictions on constructing new commercial buildings.
  - Current market does not support construction consistent with FBSP standards, main issues are density of development and building placement.
  - With amendments that allow commercial and industrial uses in the UR districts, the FBSP regulations have become complex and difficult to administer.

Successes & Challenges

- What has the City Council experienced and heard from Stakeholders along the Boulevard?
  - Successes along Folsom Boulevard?
  - Challenges along Folsom Boulevard?

Moving Forward

- Determine objectives for Folsom Boulevard
  - Foster development on the Boulevard?
  - Maintain residential requirement?
  - Minimize nonconforming use issues?
  - Retain ability to get grant funding?
  - Retain some commitment to TOD development?
  - Consider focused areas for change (require catalyst projects)?
  - Reduce use restrictions in the Convention Overlay?

Moving Forward

- City Council Discussion
  - Consider a series of questions using live polling technology
  - Focused discussion on areas of disagreement

Next Steps

- Staff will consider a wide range of solutions to implement City Council desires for Folsom Boulevard
- Staff will return the options to City Council for further discussion and formal direction - target date of March 18, 2013.

Next Steps

- Major Steps in Amending the FBSP:
  - Define Council expectations
  - Solicit input from stakeholders
  - Develop new regulatory framework
  - Council Study Session on draft regulations
  - CEQA analysis
  - Implement FBSP amendment (and potentially General Plan and Zoning Code amendments)