City of Arcata
Advances on Loans
Sandpiper Mobile Home Park

Date	Detail	Check #	Account #	244 / 884	259	Balance
03/07/07	Initial Funding - Acquisition/Rehab			39,400.00	279,000.00	318,400.00
10/01/10	Construction Loan			465,462.00	400,470.00	865,932.00
09/07/11	Correction of Construction Loan - Amendment No. 1				(400,470.00)	(400,470.00)
09/07/11	Correction of Construction Loan - Amendment No. 1			483,000.00		483,000.00
06/06/12	Construction Loan Amendment No. 2			-	-	-
	New Principal Balance			987,862.00	279,000.00	1,266,862.00
Initial Funding/Acquisition						
03/07/07	Initial Funding - Acquisition/Rehab			(39,400.00)	(279,000.00)	
				(39,400.00)	(279,000.00)	
Drawdowns:						
6/4/10	City of Arcata	200291	884-30-12-58300	(18,067.25)		
6/25/10	June Deficit	200572	884-30-12-58300	(7,324.00)		
6/25/10	July Deficit	200572	884-30-12-58300	(5,260.00)		
6/30/10	Developer Fee	200875	884-30-12-58300	(4,500.00)	-	
	Balance at 6/30/10			(35,151.25)	-	
7/30/10	August Deficit	201033	884-30-12-58300	(5,460.00)		
9/3/10	September Deficit	201494	884-30-12-58300	(5,324.00)		
10/1/10	October Deficit	201790	884-30-12-58300	(3,943.00)		
10/22/10	Multiple Invoices	202019	884-30-12-58300	(13,942.40)		
11/19/10	Invoice 334 & 335	202305	884-30-12-58300	(1,382.50)		
12/10/10	Invoice #337	202497	884-30-12-58300	(3,929.00)		
12/22/10	Multiple Invoices	202642	884-30-12-58300	(19,369.56)		
01/28/11	Invoice 343 & 344	202976	884-30-12-58300	(567.00)		
02/18/11	Invoice 345 & 347	203201	884-30-12-58300	(3,871.50)		
02/25/11	Invoice 349	203264	884-30-12-58300	(5,363.00)	-	
	Activity thru 3/9/11			(63,151.96)	-	
	Balance at 3/9/11			(98,303.21)	-	
04/22/11	Multiple Invoices	203865	884-30-12-58300	(28,363.75)		
05/13/11	Invoice 357	204070	884-30-12-58300	(4,453.00)		
05/20/11	Invoice 358 & 359	204136	884-30-12-58300	(213.00)		
06/03/11	Invoice 361 & 58355	204297	884-30-12-58300	(16,297.02)		
06/24/11	Invoice 366 & 367	204635	884-30-12-58300	(4,862.50)	-	
	Post Transfer Activity			(54,189.27)	-	
	Balance at 6/30/11			(152,492.48)	-	
7/13/2011	Invoice 368	205508	244-30-35-58500	(4,453.00)		
7/25/2011	Invoice 372	205508	244-30-35-58500	(795.00)		
8/1/2011	Invoice 374	205508	244-30-35-58500	(575.00)		
8/11/2011	Invoice 375	205508	244-30-35-58500	(4,453.00)		
8/17/2011	Invoice 377	205508	244-30-35-58500	(2,700.00)		
8/25/2011	Invoice 378	205508	244-30-35-58500	(746.22)		

Date	Detail	Check #	Account #	244 / 884	259	Balance
8/25/2011	Invoice 380	205508	244-30-35-58500	(24,441.62)		
9/13/2011	Invoice 381	205785	244-30-35-58500	(4,453.00)		
9/13/2011	Invoice 60672	205919	244-30-35-58500	(1,380.00)		
10/20/2011	Invoice 387	206139	244-30-35-58500	(4,453.00)		
11/1/2011	Invoice 389	206454	244-30-35-58500	(589.50)		
11/1/2011	Invoice 390	208022	244-30-35-58500	(8,639.00)		
11/15/2011	Invoice 392	206548	244-30-35-58500	(4,453.00)		
12/15/2011	Invoice 394	206813	244-30-35-58500	(4,453.00)		
1/17/2012	Invoice 397	207143	244-30-35-58500	(4,453.00)		
1/31/2012	Invoice 398	207393	244-30-35-58500	(32.75)		
2/13/2012	Invoice 399	207504	244-30-35-58500	(4,453.00)		
2/21/2012	Invoice 401	207568	244-30-35-58500	(800.00)		
3/5/2012	Invoice 403	207716	244-30-35-58500	(327.50)		
3/6/2012	Invoice 402	207716	244-30-35-58500	(131.00)		
3/22/2012	Invoice 405	207877	244-30-35-58500	(4,453.00)		
4/17/2012	Invoice 406	208082	244-30-35-58500	(4,453.00)		
5/1/2012	Invoice 407	208387	244-30-35-58500	(534.75)		
5/17/2012	Invoice 408	208685	244-30-35-58500	(4,453.00)		
6/6/2012	Invoice 409	208685	244-30-35-58500	(127,267.53)		
6/6/2012	Invoice 410	208685	244-30-35-58500	(3,337.50)		
6/14/2012	Invoice 411	208756	244-30-35-58500	(2,456.00)		
6/15/2012	Invoice 412	208756	244-30-35-58500	(4,453.00)		
8/3/2012	Invoice 413	209265	244-30-35-58500	(123,747.50)	-	
	Activity through 6/30/12			(351,936.87)	-	
	Total Advances Thru 6/30/12			(543,829.35)	(279,000.00)	
	Amount Owed at 6/30/12			444,032.65	-	
07/01/12	Construction Loan Amendment No. 2			1,470,000.00	-	1,470,000.00
	Total Amount Payable on 7/1/12			1,914,032.65	-	1,914,032.65
7/20/2012	Champion	209135	244-30-35-58500	(704,416.00)		
7/20/2012	SRM	209135	244-30-35-58500	(147,200.00)		
7/20/2012	RC Transport	209135	244-30-35-58500	(48,000.00)		
8/24/2012	Invoice 414	209660	244-30-35-58500	(178.00)		
8/24/2012	Invoice 415	209660	244-30-35-58500	(3,554.75)		
8/24/2012	Invoice 416	209660	244-30-35-58500	(4,453.00)		
8/24/2012	Invoice 417	209660	244-30-35-58500	(2,670.50)		
8/24/2012	Invoice 418	209660	244-30-35-58500	(1,247.60)		
8/31/2012	Invoice 419	209720	244-30-35-58500	(4,453.00)		
9/14/2012	Invoice 420	209856	244-30-35-58500	(19,185.30)		
9/21/2012	Invoice 421	209964	244-30-35-58500	(4,453.00)		
9/30/2012	Bldg Permit Fees	Journal Entry	244-30-35-58500	(7,871.56)		
10/5/2012	Invoice 428	210128	244-30-35-58500	(3,151.62)		
10/5/2012	Invoice 425	210128	244-30-35-58500	(948.00)		
10/19/2012	Invoice 428	210279	244-30-35-58500	(1,334.90)		
10/19/2012	Invoice 423	210279	244-30-35-58500	(10,686.00)		
10/19/2012	Invoice 427	210279	244-30-35-58500	(1,562.40)		

Date	Detail	Check #	Account #	244 / 884	259	Balance
10/19/2012	Invoice 426	210279	244-30-35-58500	(4,663.21)		
10/19/2012	Invoice 422	210279	244-30-35-58500	(3,082.21)		
10/26/2012	Invoice 429	210353	244-30-35-58500	(4,453.00)		
11/16/2012	Invoice 435	210554	244-30-35-58500	(39,163.87)		987,862.00
11/16/2012	Invoice 436	210554	244-30-35-58500	(4,875.00)		1,470,000.00
11/16/2012	Invoice 432	210554	244-30-35-58500	(7,200.00)		2,457,862.00
11/30/2012	Invoice 430	210687	244-30-35-58500	(462.50)		
11/30/2012	Invoice 431	210687	244-30-35-58500	(468.00)		(543,829.35)
11/30/2012	Invoice 433	210687	244-30-35-58500	(518.10)		(1,156,912.27)
11/30/2012	Invoice 434	210687	244-30-35-58500	(4,453.00)		(1,700,741.62)
11/30/2012	Invoice 437	210687	244-30-35-58500	(2,920.38)		
12/14/2012	Invoice 454	210832	244-30-35-58500	(1,800.00)		757,120.38
12/10/2012	Invoice 458	210910	244-30-35-58500	(10,000.00)		(1,195,879.62)
12/10/2012	Invoice 457	210910	244-30-35-58500	(72,150.00)		
12/10/2012	Invoice 455	210910	244-30-35-58500	(34,842.37)		
12/10/2012	Invoice 456	210910	244-30-35-58500	(495.00)		380,660.23
	Invoice					194,309.15
						574,969.38
	Total advances fy 2012/13			(1,156,912.27)		
						182,151.00
				757,120.38		958,400.00
						1,140,551.00
	Amount Owing			757,120.38		

Loan + Amend 1
Amend 2
Total loan amt

advances though 6/30/12
advances through 12/10/12
total advances

total loan balance on 12/10/12
total advances less 504,462

cost of future work
invoices unpaid
total funds needed to complete

unneeded loan funds to remit
sale of units
total remittance

City of Arcata
Reserves Held for Repairs
Sandpiper Mobile Home Park

Date	Detail	Check #	Account #	Cumulative	244 / 884	259
3/9/07	Initial Funding				39,400.00	279,000.00
10/1/10	New Loan Signed				465,462.00	400,470.00
	New Principal Balance				504,862.00	679,470.00
Amount Due ROP					465,462.00	400,470.00
Drawdowns:						
6/4/10	City of Arcata	200291	884-30-12-58300	(18,067.25)	(18,067.25)	
6/25/10	June Deficit	200572	884-30-12-58300	(25,391.25)	(7,324.00)	
6/25/10	July Deficit	200572	884-30-12-58300	(30,651.25)	(5,260.00)	
6/30/10	Developer Fee	200875	884-30-12-58300	(35,151.25)	(4,500.00)	-
	Balance at 6/30/10				430,310.75	400,470.00
7/30/10	August Deficit	201033	884-30-12-58300	(40,611.25)	(5,460.00)	
9/3/10	September Deficit	201494	884-30-12-58300	(45,935.25)	(5,324.00)	
10/1/10	October Deficit	201790	884-30-12-58300	(49,878.25)	(3,943.00)	
10/22/10	Multiple Invoices	202019	884-30-12-58300	(63,820.65)	(13,942.40)	
11/19/10	Invoice 334 & 335	202305	884-30-12-58300	(65,203.15)	(1,382.50)	
12/10/10	Invoice #337	202497	884-30-12-58300	(69,132.15)	(3,929.00)	
12/22/10	Multiple Invoices	202642	884-30-12-58300	(88,501.71)	(19,369.56)	
1/28/11	Invoice 343 & 344	202976	884-30-12-58300	(89,068.71)	(567.00)	
2/18/11	Invoice 345 & 347	203201	884-30-12-58300	(92,940.21)	(3,871.50)	
2/25/11	Invoice 349	203264	884-30-12-58300	(98,303.21)	(5,363.00)	-
	Activity thru 3/9/11				(63,151.96)	-
	Balance at 3/9/11				367,158.79	400,470.00
4/22/11	Multiple Invoices	203865	884-30-12-58300	(126,666.96)	(28,363.75)	
5/13/11	Invoice 357	204070	884-30-12-58300	(131,119.96)	(4,453.00)	
5/20/11	Invoice 358 & 359	204136	884-30-12-58300	(131,332.96)	(213.00)	
6/3/11	Invoice 361 & 58355	204297	884-30-12-58300	(147,629.98)	(16,297.02)	
6/24/11	Invoice 366 & 367	204635	884-30-12-58300	(152,492.48)	(4,862.50)	-
	Post Transfer Activity				(54,189.27)	-
	Balance at 6/30/11				312,969.52	400,470.00
7/13/11	Invoice 368	205508	244-30-12-58300	(156,945.48)	(4,453.00)	
7/25/11	Invoice 372	205508	244-30-12-58300	(157,740.48)	(795.00)	
8/1/11	Invoice 374	205508	244-30-12-58300	(158,315.48)	(575.00)	
8/11/11	Invoice 375	205508	244-30-12-58300	(162,768.48)	(4,453.00)	
8/17/11	Invoice 377	205508	244-30-12-58300	(165,468.48)	(2,700.00)	
8/25/11	Invoice 378	205508	244-30-12-58300	(166,214.70)	(746.22)	
8/25/11	Invoice 380	205508	244-30-12-58300	(190,656.32)	(24,441.62)	
9/13/11	Invoice 381	205785	244-30-12-58300	(195,109.32)	(4,453.00)	
9/13/11	Invoice 60672	205919	244-30-12-58300	(196,489.32)	(1,380.00)	

10/20/11	Invoice 387	206139	244-30-12-58300	(200,942.32)	(4,453.00)	
11/1/11	Invoice 389	206454	244-30-12-58300	(201,531.82)	(589.50)	
11/1/11	Invoice 390	208022	244-30-12-58300	(210,170.82)	(8,639.00)	
11/15/11	Invoice 392	206548	244-30-12-58300	(214,623.82)	(4,453.00)	
12/15/11	Invoice 394	206813	244-30-12-58300	(219,076.82)	(4,453.00)	-
	Activity through 12/31/11				(66,584.34)	-
	Balance at 12/31/11				246,385.18	400,470.00

Balance
318,400.00
865,932.00
1,184,332.00

ROP - Sandpiper Loan

Rate Period: Annual 365 Day/Year
Nominal Annual Rate: 3.000%

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	3/8/2007	318,400.00	1		
2	Loan	6/4/2010	18,067.25	1		
3	Loan	6/25/2010	12,584.00	1		
4	Loan	6/30/2010	4,500.00	1		
5	Loan	7/30/2010	5,460.00	1		
6	Loan	9/3/2010	5,324.00	1		
7	Loan	10/1/2010	3,943.00	1		
8	Loan	10/22/2010	13,942.40	1		
9	Loan	11/19/2010	1,382.50	1		
10	Loan	12/10/2010	3,929.00	1		
11	Loan	12/22/2010	19,369.56	1		
12	Loan	1/28/2011	567.00	1		
13	Loan	2/18/2011	3,871.50	1		
14	Loan	2/25/2011	5,363.00	1		
15	Loan	4/22/2011	28,363.75	1		
16	Loan	5/13/2011	4,453.00	1		
17	Loan	5/20/2011	213.00	1		
18	Loan	6/3/2011	16,297.02	1		
19	Loan	6/24/2011	4,862.50	1		
20	Loan	7/13/2011	4,453.00	1		
21	Loan	7/25/2011	795.00	1		
22	Loan	8/1/2011	575.00	1		
23	Loan	8/11/2011	4,453.00	1		
24	Loan	8/17/2011	2,700.00	1		
25	Loan	8/25/2011	25,187.84	1		
26	Loan	9/13/2011	5,833.00	1		
27	Loan	10/20/2011	4,453.00	1		
28	Loan	11/1/2011	9,228.50	1		
29	Loan	11/15/2011	4,453.00	1		
30	Loan	12/15/2011	4,453.00	1		

AMORTIZATION SCHEDULE - U.S. Rule (no compounding)

	Date	Loan	Payment	Interest Accrued	Interest Paid	Principal Paid	---------- Interest
Loan	3/8/2007	318,400.00		0.00	0.00	0.00	0.00
2007 Totals		318,400.00	0.00	0.00	0.00	0.00	
Loan	6/4/2010	18,067.25		30,958.95	0.00	0.00	30,958.95
Loan	6/25/2010	12,584.00		580.75	0.00	0.00	31,539.70
Loan	6/30/2010	4,500.00		143.45	0.00	0.00	31,683.15
Loan	7/30/2010	5,460.00		871.77	0.00	0.00	32,554.92
Loan	9/3/2010	5,324.00		1,032.77	0.00	0.00	33,587.69
Loan	10/1/2010	3,943.00		838.47	0.00	0.00	34,426.16
Loan	10/22/2010	13,942.40		635.66	0.00	0.00	35,061.82

Loan	11/19/2010	1,382.50		879.63	0.00	0.00	35,941.45
Loan	12/10/2010	3,929.00		662.11	0.00	0.00	36,603.56
Loan	12/22/2010	19,369.56		382.22	0.00	0.00	36,985.78
2010 Totals		88,501.71	0.00	36,985.78	0.00	0.00	
Loan	1/28/2011	567.00		1,237.43	0.00	0.00	38,223.21
Loan	2/18/2011	3,871.50		703.30	0.00	0.00	38,926.51
Loan	2/25/2011	5,363.00		236.66	0.00	0.00	39,163.17
Loan	4/22/2011	28,363.75		1,917.98	0.00	0.00	41,081.15
Loan	5/13/2011	4,453.00		768.20	0.00	0.00	41,849.35
Loan	5/20/2011	213.00		258.63	0.00	0.00	42,107.98
Loan	6/3/2011	16,297.02		517.50	0.00	0.00	42,625.48
Loan	6/24/2011	4,862.50		804.38	0.00	0.00	43,429.86
Loan	7/13/2011	4,453.00		735.37	0.00	0.00	44,165.23
Loan	7/25/2011	795.00		468.83	0.00	0.00	44,634.06
Loan	8/1/2011	575.00		273.94	0.00	0.00	44,908.00
Loan	8/11/2011	4,453.00		391.82	0.00	0.00	45,299.82
Loan	8/17/2011	2,700.00		237.29	0.00	0.00	45,537.11
Loan	8/25/2011	25,187.84		318.16	0.00	0.00	45,855.27
Loan	9/13/2011	5,833.00		794.96	0.00	0.00	46,650.23
Loan	10/20/2011	4,453.00		1,565.83	0.00	0.00	48,216.06
Loan	11/1/2011	9,228.50		512.23	0.00	0.00	48,728.29
Loan	11/15/2011	4,453.00		608.22	0.00	0.00	49,336.51
Loan	12/15/2011	4,453.00		1,314.31	0.00	0.00	50,650.82
Interest	12/31/2011			706.82	0.00	0.00	51,357.64
2011 Totals		130,575.11	0.00	14,371.86	0.00	0.00	
Grand Totals		537,476.82	0.00	51,357.64			

Balance Due	----------	City of Arcata	Redevelopment
Principal	Total	HOME Program	Agency
318,400.00	318,400.00	279,000.00	39,400.00
336,467.25	367,426.20		57,467.25
349,051.25	380,590.95		70,051.25
353,551.25	385,234.40		74,551.25
359,011.25	391,566.17		80,011.25
364,335.25	397,922.94		85,335.25
368,278.25	402,704.41		89,278.25
382,220.65	417,282.47		103,220.65

383,603.15	419,544.60		104,603.15
387,532.15	424,135.71		108,532.15
406,901.71	443,887.49		127,901.71
407,468.71	445,691.92		128,468.71
411,340.21	450,266.72		132,340.21
416,703.21	455,866.38		137,703.21
445,066.96	486,148.11		166,066.96
449,519.96	491,369.31		170,519.96
449,732.96	491,840.94		170,732.96
466,029.98	508,655.46		187,029.98
470,892.48	514,322.34		191,892.48
475,345.48	519,510.71		196,345.48
476,140.48	520,774.54		197,140.48
476,715.48	521,623.48		197,715.48
481,168.48	526,468.30		202,168.48
483,868.48	529,405.59		204,868.48
509,056.32	554,911.59		230,056.32
514,889.32	561,539.55		235,889.32
519,342.32	567,558.38		240,342.32
528,570.82	577,299.11		249,570.82
533,023.82	582,360.33		254,023.82
537,476.82	588,127.64		258,476.82
537,476.82	588,834.46		258,476.82
	Total Loan	279,000.00	258,476.82
	Interest Accrued	40,313.59	11,044.05

The Arcata Community Development Agency

Advances against Note

12/31/2011

			Loan	Interest @ 3%	
Date	**Details**	**Check #**	**$**	**# Days**	**$**
3/8/2007	Initial Funding		318,400.00	1759	46,032.79
6/4/2010	Loan advances	200291	18,067.25	575	853.86
6/25/2010	Loan advances	200572	12,584.00	554	573.00
6/30/2010	Loan advances	200845	4,500.00	549	203.05
7/30/2010	Loan advances	201033	5,460.00	519	232.91
9/3/2010	Loan advances	201494	5,324.00	484	211.79
10/1/2010	Loan advances	201790	3,943.00	456	147.78
10/22/2010	Loan advances	202019	13,942.40	435	498.49
11/19/2010	Loan advances	202305	1,382.50	407	46.25
12/10/2010	Loan advances	202497	3,929.00	386	124.65
12/22/2010	Loan advances	202642	19,369.56	374	595.41
12/15/2011	Jan12 cash deficit	206813	4,453.00	16	5.86
11/15/2011	Dec11cahs deficit	206548	4,453.00	46	16.84
11/01/2011	Invoice payment	206454	589.50	60	2.91
11/01/2011	#390 - GR Sunberg invoice	208022	8,639.00	60	42.60
10/20/2011	Nov11 cash deficit	206139	4,453.00	72	26.35
09/13/2011	Invoice payment	205919	1,380.00	109	12.36
09/13/2011	Oct11 cash deficit	205785	4,453.00	109	39.89
08/25/2011	Invoice #380	205508	24,441.62	128	257.14
08/25/2011	Invoice #378	205508	746.22	128	7.85
08/17/2011	Invoice #377	205508	2,700.00	136	30.18
08/11/2011	Invoice #375	205508	4,453.00	142	51.97
08/01/2011	Invoice #374	205508	575.00	152	7.18
07/25/2011	Invoice #372	205508	795.00	159	10.39
07/13/2011	Cash deficit	205508	4,453.00	171	62.59
06/24/2011	Several invoices	204635	4,862.50	190	75.93
06/03/2011	Several invoices	204297	16,297.02	211	282.63
05/20/2011	2 invoices payment	204136	213.00	225	3.94
05/13/2011	May11 cash deficit	204070	4,453.00	232	84.91
04/22/2011	Several invoices	203865	28,363.75	253	589.81
02/25/2011	Mar11 deficit	203264	5,363.00	309	136.21
02/18/2011	2 invoices payment	203201	3,871.50	316	100.55
01/28/2011	2 invoices payment	202976	567.00	337	15.71
12/31/11	Balance per City of Arcata		537,476.82		########

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
11/13/2012	436

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/13/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	SRM Contracting Invoice #12 (See attachment) Run generator for 31 days total @ 50.00/day	HC 1,550.00	1,550.00
	City of Arcata Note	SRM Contracting Invoice #11 (See attachment) Install water pressure regulators on all 16 spaces per HCD	HC 2,800.00	2,800.00
	City of Arcata Note	SRM Contracting Invoice #10 (See attachment) Landing had to be added du to rounded sidewalk in front of home on space #10	HC 525.00	525.00
		MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven Drive Ste. 125 Sacramento, CA. 95831		

OK to pay [signature]
Date 11/13/12
P.O. # 34712
Acct. # 244-30-35-58500
Bill to file # City Housing Improv.

Total $4,875.00

ROP Note: Use of generator was required for 31 days because no power available on site. [signature]

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

Date: 11-7-12 INVOICE # 12

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s):	
	COMPLETION ROUGH SETUP OF EACH HOME @ $4,000 each Space(s):	
	COMPLETION OF EACH HOME @ $910 each Space(s):	
	CHANGE ORDER Run Generator for 31 Days Total Dated: Space(s): 1 @ 50.00 Per Day	$1,550
	CHANGE ORDER Dated: Space(s):	

Thank you. [signature]

Total Due 1550.00

Approved by ROP [signature] 11-13-2012

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

Date: 11-7-12 INVOICE#11

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 FAX 916-424-2205

Quantity	Description	Amount
	COMPLETION OF CONCRETE SKIRTING/STEM WALL. @ $3,250. each Space(s):	
	COMPLETION ROUGH SETUP OF EACH HOME @ $4,000 each Space(s):	
	COMPLETION OF EACH HOME @ $910 each Space(s):	
	CHANGE ORDER # 2 ADD Water Pressure Regulators Dated: 11-7-12 Space(s): 1-16	2800.00
	CHANGE ORDER Dated: Space(s):	
Thank you.	Total Due	2800.00

ROP approved.
11-13-2012

SRM CONTRACTING Manufactured Home Specialists

Class B - Fully Licensed, Insured, and Bonded Lic# 534976

Steve Midkiff, General Contractor
61 Lumber Jack Lane
Yankee Hill, CA 95965
530.218.0733

Change Order #2

Date: 11-7-12 Serial #

Name: Sandpiper M/H/P ROR

Address: 115 G STREET ARCATA

Space #: 1-16 Requested By: Maurice

Item #	Change	Charge
	Install Pressure Regulators	
	On All Spaces	
	175.00 EA X 16	
		2800.00

All changes must be agreed to in writing via Change Order. No verbal change orders.

AUTHORIZED BY _____ DATE _____

CONTRACTOR DATE 11-6-12

Install water pressure regulators on all 16 spaces per HCD.

This Change Order is for same work as invoice #11 shown above.

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

Date: 11-7-12 INVOICE# 10

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s):	
	COMPLETION ROUGH SETUP OF EACH HOME @ $4,000 each Space(s):	
	COMPLETION OF EACH HOME @ $910 each Space(s):	
	CHANGE ORDER ADD Landings To Front Steps — Dated: 11-7-12 Space(s): 10	525.00
	CHANGE ORDER Dated: Space(s):	

Thank you. Total Due 525.00

ROP - Note: Landing had to be added due to rounded sidewalk in front of home on Sp# 10. Approved 11-13-2012

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

Date: 11-6-12 INVOICE# 2

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s):	
	COMPLETION ROUGH SETUP OF EACH HOME @ $4,000 each Space(s):	
	COMPLETION OF EACH HOME @ $910 each Space(s):	
16	CHANGE ORDER ReCompact EACH Space Dated: Space(s): 1-16 450.00	7200.00
	CHANGE ORDER Per State Rec. EA Dated: Space(s):	

Thank you.

Total Due 7200.00

Invoice

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Date	Invoice #
11/8/2012	432

Bill To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/8/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	SRM Contracting Invoice #2 (See attachment)	7,200.00	7,200.00

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven Drive Ste. 125
Sacramento CA. 95831

OK to pay
Date 11/13/12
P. O. # 34712-2
Acct. # 24 4-30-35-58500
Bill to file # City Housing Improv.

Total $7,200.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
9/15/2012	423

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		9/15/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Extra concrete stemwalls for spaces 6,7,8,9,10,11,12,13,14,15,16 Part of the SRM set-up bid included the concrete stemwall around the perimeter of the home, and approximately 12 inches above grade. The bid was based on the 12 inch heighth in calculating the cost of form construction and the amount of concrete required. After the City Planning Department confirmed the based flood plain elevation, it was determined that the location of some lots for mobilehomes would need to be elevated 2more than 12 inches above grade, thereby increasing the cost of form construction and the amount of concrete. This additional expense came to $250 for certain spaces as shown on the attached invoices received from SRM and paid by ROP. We are seeking reimbursement for this additional expense	HC 2,750.00	2,750.00
	City of Arcata Note	Extra transportation expenses: The bid for transporting each of the 16 homes from the Champion Factory to Sandpiper, was $3,000 per home. At the time transport commenced, the numerous forest fires in the northern part of the state, resulted in the CHP altering the approved route, and increasing the mileage, and the time required for each home to reach Sandpiper. The increase in mileage and time for each transport was $300 per home, as indicated on the RC Transport invoices, and paid by ROP. ROP seeks reimbursement of $300 X 16 = $4,800.	HC 4,800.00	4,800.00
	City of Arcata Note	HCD permanent foundation fee:	HC 3,136.00	3,136.00

OK to pay [signature]
Date 10/9/12-2
P. O. # 34712
Acct. # 244-30-35-58500
Bill to file # Housing Improv.

Total

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
9/15/2012	423

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		9/15/2012			

Quantity	Item Code	Description	Price Each	Amount
		The set-up bid included a MH Installation Permit for each of the 16 homes. The permit fee to HCD for these 16 homes came to $3,136. After commencement of Installation, HCD inspector Jeanne Peffley advised our contractor, that because we were using permanent foundations, a second foundation permit for each of the 16 homes would also have to be purchased. I contacted HCD Administrators questioning the charge when we were using an HCD state-approved foundation system. I received confirmation that ROP had to pay for a second permit for the permanent foundations and we paid a second permit fee of $3,160 for which we seek reimbursement.		

Total $10,686.00

Transporter Invoice Batch 11 Page 1 of 2 DUE 9/12/12

STRAIGHT BILL OF LADING, SHIPPING ORDER AND FREIGHT BILL

R.C. TRANSPORT & PILOT SERVICE
P.O. Box 98
Esparto, CA 95627
(530) 787-4616
(530) 787-4718 Fax

DATE 9/6

DRIVER

STATE PERMIT 460

BILL TO: Name and Address ROP

FROM: Name and Address Lindsay

SHIP TO: Name and Address (C & D) Woodland

DELIVER TO: Name and Address Storage

~~In Storage Space~~ 4

INITIAL ☐ SECONDARY ☐ TOW ☐ HAUL ☐ TOW & HAUL ☐ COLLECT ☐ PREPAID ☐

SERIAL NUMBER(S)	DESCRIPTION	MILES	CHARGES
	Compline 460		

AIR IN TRANSIT, OFF HIGHWAY SERVICE

OF BRAKES

	RATE	HOURS

MENT RELEASED TO CARRIER

IGNEE

ADDED INSURANCE	
TOTAL CHARGE	$ 1500 00

____ and a released value of
d by Act of God, defects in property,

arges must be paid in full and no part thereof withheld for alleged damages. Carrier may file action

blic highways which do not require extra labor or equipment to deliver or which will not be hazardous,
damage and pay the extra charges incurred. Shipper warrants that the property described herein
ts incurred by noncompliance.
If consignee refuses delivery, the shipment will be placed in storage at owner's expense.

Shipper's Signature _____ Date _____

Consignee's Signature _____ Date _____

Driver's Signature Robert Hunt Date _____

Wells Fargo Bank
Transaction Record

STORE # 0000243 04 Deposit

Account Number XXXXXX4068
00114
Cash In $0.00
Number of Checks 1

	$3,300.00
Total Deposited	$3,300.00
Less Cash	- $0.00
Net Deposit Amount	$3,300.00

Transaction # 095 0128
03:31PM 09/12/12 Credited: 09/12/12

Help your children learn about money. Share money management strategies, such as saving for a family vacation.

Thank you, Rani

Batch 12 (2 of 4)

STRAIGHT BILL OF LADING, SHIPPING ORDER AND FREIGHT BILL

R.C. TRANSPORT & PILOT SERVICE
P.O. Box 98
Esparto, CA 95627
(530) 787-4616
(530) 787-4718 Fax

DATE 9-11-12
DRIVER
STATE PERMIT 460

BILL TO: Name and Address ROP
FROM: Name and Address Woodland
SHIP TO: Name and Address (C & D) Arcata
DELIVER TO: Name and Address Sand Pipe

Space 4

INITIAL ☐ SECONDARY ☐ TOW ☐ HAUL ☐ TOW & HAUL ☐ COLLECT ☐ PREPAID ☐

HEIGHT	WIDTH	LENGTH	MAKE	SERIAL NUMBER(S)	DESCRIPTION	MILES	CHARGES
FT 14 IN 11	FT 13 IN 11	FT 50 IN 0	Champion 460				

ACCESSORIAL SERVICES, PREPARATION TO MOVE, REPAIR IN TRANSIT, OFF HIGHWAY SERVICE

TIRES: NEW ☐ USED ☐ SIZE _____ # OF AXLES _____ # OF BRAKES _____

	RATE	HOURS
FREIGHT		
PILOT CAR # _____ ROUTES _____ CHARGES: Included		
PILOT CAR # _____ ROUTES _____ CHARGES:		
PERMITS REQUIRED _____ IDENTIFICATION: Included		
PERMITS REQUIRED _____ IDENTIFICATION:		
ARRIVING TIME AT PICKUP POINT _____ TIME SHIPMENT RELEASED TO CARRIER _____		
ADDED INSURANCE		
TOTAL CHARGE	$ 1800 OC	

ATTENTION SHIPPER / CONSIGNEE

This contract is subject to Conditions and Charges in PUC Tariff No. _____ and a released value of $_____. Common law exemptions apply to loss and damage caused by Act of God, defects in property, Acts of Shipper or Public Authority.

Claims must be filed as provided by PUC General Order 139 and freight charges must be paid in full and no part thereof withheld for alleged damages. Carrier may file action for freight charges at owner's cost if charges are not paid in credit period.

Carrier will transport over legally permitted routes to points adjacent to public highways which do not require extra labor or equipment to deliver or which will not be hazardous, unless the owner by his initials here ( ) agrees to accept liability for damage and pay the extra charges incurred. Shipper warrants that the property described herein means all signatures required by law and agrees to reimburse carrier for costs incurred by noncompliance.

Delay time in excess of 1 hour for pickup and/or delivery will be charged for. If consignee refused delivery, the shipment will be placed in storage at owner's expense.

ALL TERMS AND CONDITIONS INCLUDING NOTATIONS HEREON ARE ACKNOWLEDGED BY:

Shipper's Signature _____ Date _____
Consignee's Signature _____ Date _____
Driver's Signature Robert Hunt Date _____

A.

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

Date: 8-17-12

INVOICE

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
4	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s): (6) 8 9 (13)	13000.00
	COMPLETION OF EACH HOME @ $4,910 each Space(s):	
	CHANGE ORDER XTRA Height Stem Dated: Space(s): 6 8 9 13	
	CHANGE ORDER 4 x 250.00 Ea. Dated: Space(s):	1000.00
	CHANGE ORDER Dated: Space(s):	

Thank you. Steve M.

Total Due 14,000.00

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

INVOICE

Date: 8-24-12

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
3	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s): 2 3 6	9750.00
4	COMPLETION ~~OF EACH HOME~~ @ ~~$4,000~~ each Rough Set-up Per REVISED Contract 4000.00 Space(s): 10 11 12 13	16,000.00
	CHANGE ORDER EXTRA Height +12" Dated: Space(s): 6 Concrete	250.00
	CHANGE ORDER Dated: Space(s):	
	CHANGE ORDER Dated: Space(s):	

Thank you. Total Due 26,000.00

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

A

Date: INVOICE

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
5	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s): 10 - 14 (13)	16,250.00
	COMPLETION OF EACH HOME @ $4,910 each Space(s):	
5	CHANGE ORDER XTRA Height @ Stemwall Dated: Space(s): 10-14 250.00 EA	1250.00
	CHANGE ORDER Dated: Space(s):	
	CHANGE ORDER Dated: Space(s):	

Thank you.

Total Due 17,500.00

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

Date: 8-31-12 **INVOICE**

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s): 1, 4, 5, 16	
	COMPLETION ROUGH SETUP OF EACH HOME @ $4,000 each Space(s):	
	COMPLETION OF EACH HOME @ $910 each Space(s):	
	CHANGE ORDER Extra Height Concrete Dated: Space(s): 16	250.00
	CHANGE ORDER Dated: Space(s):	

Thank you.

Total Due 13,250.00

SRM Contracting
61 Lumber Jack Lane
Oroville, CA 95965
State Lic. 534976
530.218.0733

Date: INVOICE

Name: Resident Owned Parks, Inc.

Address: Sandpiper Park 115 G Street Arcata CA

Phone: 916-399-4993 **FAX 916-424-2205**

Quantity	Description	Amount
2	COMPLETION OF CONCRETE SKIRTING/STEM WALL @ $3,250. each Space(s): 7, 15	6500.00
	COMPLETION ROUGH SETUP OF EACH HOME @ $4,000 each Space(s):	
	COMPLETION OF EACH HOME @ $910 each Space(s):	
2	CHANGE ORDER XTRA Height Concrete. Dated: 8-29-12 Space(s): 7, 15 250.00 EA.	500.00
	CHANGE ORDER Dated: Space(s):	

Thank you.

Total Due 7000.00

BANK OF AMERICA
940 FLORIN ROAD
SACRAMENTO, CA 95831

1576

11-35/1210
1696

RESIDENT OWNED PARKS, INC.
(SANDPIPER PARK)
7420 GREENHAVEN DR STE 125 (916) 399-4993
SACRAMENTO, CA 95831

8/15/2012

PAY TO THE ORDER OF SRM Contracting $ **3,136.00

Three Thousand One Hundred Thirty-Six and 00/100********** DOLLARS

SRM Contracting
61 Lumber Jack Lane
Yankee Hill, CA. 95965

MEMO

AUTHORIZED SIGNATURE

⑈001576⑈ ⑆121000358⑆ 16961 67169⑈

1576

DEPOSIT TICKET

SRM CONTRACTING
PH. 530-218-0733
61 LUMBERJACK LANE
OROVILLE, CA 95965-9229

11-35/1210
1169

CASH	—	
CHECKS 1576	3136.00	
CHECKS		
CHECKS OR TOTAL FROM OTHER SIDE	—	
TOTAL ITEMS 1 SUB TOTAL	—	
LESS CASH	—	
NET DEPOSIT	$	3136.00

8/15/2012

Discount	
ck Amount	3,136.00
Payment	3,136.00

DATE 08/15/12
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

SIGN HERE IF CASH RECEIVED FROM DEPOSIT

Bank of America
Oroville
1820 Oro Dam Blvd
Oroville CA
530.533.4950

DO NOT USE DEPOSIT TICKET ROUTING # FOR AUTOMATIC PAYMENTS. USE VOIDED CHECK.

⑆510000655⑆ 11694 71484⑈

3,136.00

Bank of America

Customer Receipt

All items are credited subject to verification, collection, and conditions of the Rules and Regulations of this Bank and as otherwise provided by law. Payments are accepted when credit is applied to outstanding balances and not upon issuance of this receipt. Transactions received after the Bank's posted cut-off time or Saturday, Sunday, and Bank Holidays, are dated and considered received as of the next business day.

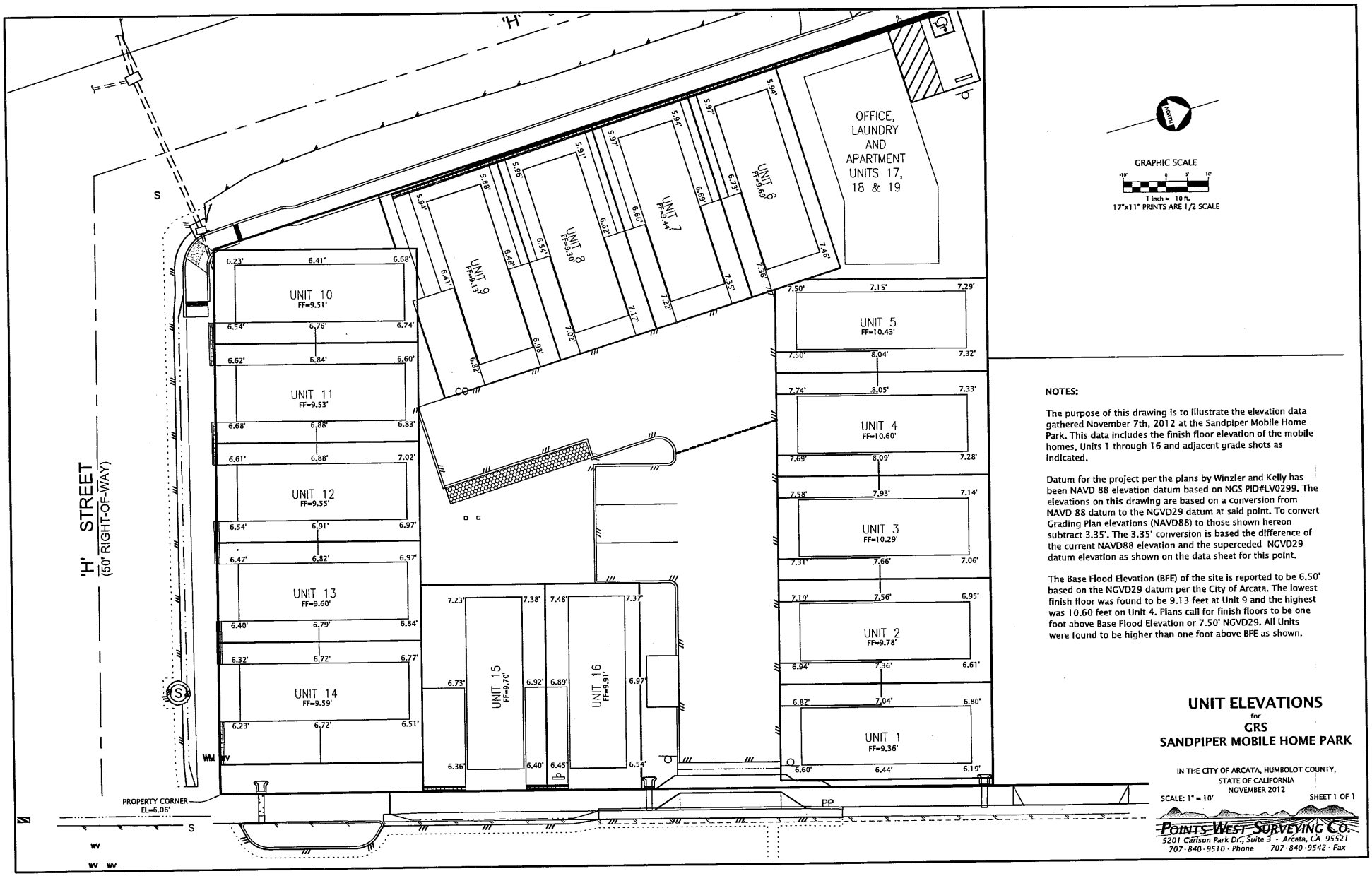
Please retain this receipt until you receive your account statement.

Thank you for banking with Bank of America.
Save time. Save energy. Fast, reliable deposits, withdrawals and account management at more than 18,000 convenient ATM locations.

Tran 00075 08/15/2012 13:27
Entity NCA CC 0001696 Tlr 00006
Account ********1484
R/T# 540930135
Deposit $3,136.00

Member FDIC
95-14-2005B 04-2011

OF THE UNIFORM COMMERCIAL CODE OR LAW APPLICABLE COLLECTION AGREEMENT.



NORTH

GRAPHIC SCALE

1 inch = 10 ft.
17"x11" PRINTS ARE 1/2 SCALE

NOTES:

The purpose of this drawing is to illustrate the elevation data gathered November 7th, 2012 at the Sandpiper Mobile Home Park. This data includes the finish floor elevation of the mobile homes, Units 1 through 16 and adjacent grade shots as indicated.

Datum for the project per the plans by Winzler and Kelly has been NAVD 88 elevation datum based on NGS PID#LV0299. The elevations on this drawing are based on a conversion from NAVD 88 datum to the NGVD29 datum at said point. To convert Grading Plan elevations (NAVD88) to those shown hereon subtract 3.35'. The 3.35' conversion is based the difference of the current NAVD88 elevation and the superceded NGVD29 datum elevation as shown on the data sheet for this point.

The Base Flood Elevation (BFE) of the site is reported to be 6.50' based on the NGVD29 datum per the City of Arcata. The lowest finish floor was found to be 9.13 feet at Unit 9 and the highest was 10.60 feet on Unit 4. Plans call for finish floors to be one foot above Base Flood Elevation or 7.50' NGVD29. All Units were found to be higher than one foot above BFE as shown.

UNIT ELEVATIONS
for
GRS
SANDPIPER MOBILE HOME PARK

IN THE CITY OF ARCATA, HUMBOLOT COUNTY,
STATE OF CALIFORNIA
NOVEMBER 2012

SCALE: 1" = 10'

SHEET 1 OF 1

POINTS WEST SURVEYING CO.
5201 Carlson Park Dr., Suite 3 · Arcata, CA 95521
707·840·9510 · Phone 707·840·9542 · Fax

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
12/10/2012	455

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		12/10/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Pursuant to Section 3 of the Regulatory Agreement, for Developer services rendered since commencement of construction	10,000.00	10,000.00

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven Drive Ste 125
Sacramento, CA. 95831

OK to pay [signature]
Date 12/17/12
P.O.# 34712-2
Acct.# 244-30-35-58500
Bill to file # City housing

Total $10,000.00

Kelli Spiers

om: David Loya
Sent: Friday, December 07, 2012 10:52 AM
To: Maurice A. Priest
Cc: Kelli Spiers
Subject: Invoice

Maury,
As we discussed yesterday, the City considers the tax a part of the construction budget. However, it can only be paid if invoiced. To date, the dealer tax has not been identified on a third party invoice. Please provide the City an invoice prepared by Canterbury Homes that includes the dealer tax. Also as we discussed, please send a revised invoice from Canterbury Homes that includes both the balance due and the dealer tax so we aren't paying multiple invoices.

Furthermore, we discussed ROP's developer fee. The loan and regulatory agreement allow for ROP to submit for up to $10,000 at start of construction to be paid out of the developer fee. I anticipate, based on our discussion of yesterday, ROP will provide the City an invoice for the developer fee. The "profit" to ROP referred to on the last set of invoices is not an allowable use of loan funds. The developer fee is intended to cover ROP's costs. Not the sale of the units.

Finally, as we discussed, the escrow fees are not a part of the construction loan. The City will not be reimbursing ROP for the escrow fees as part of the construction loan. The buyer or ROP will need to deposit these fees to escrow on sale. For the City assisted buyers, the fees may be included in the loan amount. For the non assisted buyers, either the bank loan or down payment will need to cover these costs.

Please contact me if you have questions about any of this.

David Loya
City of Arcata
Community Development Deputy Director

707.825-2045
707.822-5955
707.825-2029 (Fax)

736 F Street
Arcata, CA 95521

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
9/15/2012	422

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		9/15/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Miscellaneous expenses due to: Construction Project | 07/30/2012 HCD Permit (Elec. revision)	203.00	203.00
	City of Arcata Note	Miscellaneous expenses due to: Annual audit | Invoice #504, Fritz Russell, CPA's	2,000.00	2,000.00
	City of Arcata Note	Miscellaneous expenses due to: Construction Project | 08/31/2012 HCD Permint (Annual fee)	356.00	356.00
	City of Arcata Note	Miscellaneous expenses due to: Construction Project | #507899 08/16/2012 ADS Signs (Sandpiper "New Homes" sign)	67.58	67.58
	City of Arcata Note	Miscellaneous expenses due to: Construction Project | #507899 08/16/2012 ADS Signs (Sandpiper "New Homes" sign)	24.02	24.02
	City of Arcata Note	Miscellaneous expenses due to: Construction Project | #507998 07/31/2012 ADS Signs (Sandpiper "New Homes" sign)	228.61	228.61
	City of Arcata Note	Miscellaneous expenses due to: Construction Project | 09/04/2012 HCD Permint (Elec. permint)	203.00	203.00

OK to pay
Date 10/9/12
P. O. # 34712-2
Acct. # 244-30-35-58500
Bill to file # Housing Improv.

Total $3,082.21

HCD $203-

Sandpiper Plan Check fee-
Electrical Revisions

Send 3rd Copy Fed. Ex.

1565



California Department of Housing and Community Development
Division of Codes and Standards

CASHIER RECEIPT

LMP12 M/P CHECK

51N311/39287 (8/10) 597305

Absence of Payee Endorsement Guaranteed
73644130 07/30/2012 1 3 98 $203.00
Housing & Community Development
California State Treasurer
For Deposit Only
140 BANK OF AMERICA 1A9

OSP 01 56687

Invoice

.itz russell, cpas

Certified Public Accountants

Invoice #: 504
Invoice Date: 8/1/2012
Due Date: 8/1/2012

Resident Owned Parks - Sandpiper
Maurice Priest
7420 Greenhaven Dr Suite 125
Sacramento, CA 95831

Description	Amount
Perform audit services with the intent to express an opinion client's financial statements. Planning	300.00
Perform review services with the intent to issue a report on client's financial statements. Review Financial Stmts	260.00
Perform audit services with the intent to express an opinion client's financial statements.	1,200.00
Perform audit services with the intent to express an opinion client's financial statements.	337.50
›rform audit services with the intent to express an opinion client's financial ..atements.	-97.50

POSTED

Total	$2,000.00
Payments/Credits	$0.00
Balance Due	$2,000.00

Please make checks payable to Fritz Russell, CPAs

We gladly accept, Visa, Master Card and American Express, please call our office to make a payment by this method.

5530 Birdcage Street, Suite 105
Citrus Heights, CA 95610 P: (916) 966-9366 F: (916) 966-8743
www.FritzRussellCPAs.com

STATE OF CALIFORNIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS

, 11, 2012

Park ID No.
12-0041-MP

Inc or Unc	Mobilehome Lots With Drains	Recreational Vehicle Lots With Drains	Lots Without Drains	Total Lots
I	16	0	0	16

DUE DATE: August 31, 2012

OWNER

RESIDENT OWNED PARKS INC
ATTN: DIANE
7420 GREENHAVEN DR STE 125
SACRAMENTO, CA 95831

Annual Fee:

If postmarked on or before 9/29/2012 please pay:	$356.00 ✓
If postmarked on or before 10/29/2012 please pay:	$392.00
If postmarked on or after 10/30/2012 please pay:	$712.00

Annual Fees due by Year

2012	$356.00

PARK NAME & ADDRESS

SANDPIPER PARK
115 G ST
ARCATA, CA 95521

Annual Fee Charges

MH Lot Fee	$112.00
MPM Lot Fee	$64.00
Permit Fee	$140.00
State Fee	$40.00

CONDITIONAL USES
ELEV. 100 FT., 20 LOTS-30 AMP, HCD-1 VERIFIED

TO INSURE PROPER CREDIT, PLEASE RETURN THIS INVOICE WITH YOUR PAYMENT. WRITE PARK ID NUMBER ON CHECK AND MAKE PAYABLE TO : DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

9342 Tech Center Dr, Suite 550
Sacramento, CA 95826-2581
(916) 255-2501
From TDD Phones: 1-800-735-2929
From Voice Phones: 1-800-735-2922

INVOICES RETURNED TO THE DEPARTMENT 30 DAYS AFTER THE DUE DATE SHALL BE SUBJECT TO A PENALTY FEE EQUAL TO 10 PERCENT OF THE ESTABLISHED FEE. THE PENALTY FEE FOR SUBMITTING AN INVOICE 60 OR MORE DAYS AFTER THE DUE DATE SHALL EQUAL 100 PERCENT OF THE ESTABLISHED PERMIT FEE. THESE PENALTIES AND THE ESTABLISHED PERMIT FEES SHALL BE PAID PRIOR TO ISSUANCE OF THE PERMIT AND THE FEE AND 100 PERCENT PENALTY SHALL BE DUE UPON DEMAND OF THE DEPARTMENT FOR ANY PARK THAT HAS NOT APPLIED FOR A PERMIT

NOTE: THE DUE DATE SHALL MEAN THE EXPIRATION DATE AS SHOWN ON YOUR PREVIOUS YEAR'S PERMIT TO OPERATE.

INDICATE ANY CHANGES IN THE INFORMATION SHOWN ABOVE.

2753

HCD 503 (Rev 03/2000)

ADVANCED DISPLAY & SIGNS

.u Street, Eureka, CA. 95501

Invoice #507899

8/16/2012

Prepared For:
Resident Owned Parks, Inc.
Pamela Thomas

Phone: 916-399-4993 Fax:
Alt. Phone: 916-833-1042
E-Mail:

Prepared By:
Ted Sheets
Advanced Display and Signs
726 2nd St.
Eureka, CA 95501
USA
Phone: 7074432816 Fax: 7074432044
Alt. Phone:
E-Mail: adseureka@sbcglobal.net

Description:
"For Viewing" sign

Quantity	Description	Each	Total	Taxable
1	24.00 in x 18.00 in Alupanel 3mm stock. Top-Laminated with Overlaminate - Gloss - 3M 8518 Scotchcal Premium.	62.57	$62.57	✓
		Subtotal	$62.57	
		Sales Tax 8.00	$5.01	
		Total Due	**$67.58**	

Terms:
50% Deposit Required / Balance Due Upon Completion

ADVANCED DISPLAY & SIGNS
726 2ND ST
EUREKA, CA 95501
707 443 2816

Merchant ID: 1701002945
Term ID: 3000

Phone Order

VISA
XXXXXXXXXXXX5843
Entry Method: Manual
Apprvd: Online Batch#: 000003
08/21/12 09:11:22
AVS Code: N
Inv#: 00000002 Appr Code: 005216
Order #: 4
Total: $ 67.58

Customer Copy
THANK YOU

Sandpiper Park

ADVANCED DISPLAY & SIGNS

Street, Eureka, CA. 95501

Invoice #507899

8/16/2012

Prepared For:

Resident Owned Parks, Inc.
Pamela Thomas

Phone: 916-399-4993 Fax:
Alt. Phone: 916-833-1042
E-Mail:

Prepared By:

Ted Sheets
Advanced Display and Signs
726 2nd St.
Eureka, CA 95501
USA
Phone: 7074432816 Fax: 7074432044
Alt. Phone:
E-Mail: adseureka@sbcglobal.net

Description:

"For Viewing" sign

Quantity	Description	Each	Total	Taxable
1	24.00 in x 18.00 in Milano Digital Decal - White Gloss 54" Top laminated with Overlaminate - Gloss - 3M 8518 Scotchcal Premium Mounted on Wood - MDO 1/2" (prepainted)	84.8131	$84.81	✓

Subtotal	$84.81
Sales Tax 8.00	$6.79
Deposit	($67.58)
Total Due	**$24.02**

Terms:

50% Deposit or P.O. Required / Balance Due Upon Completion

$91.60

ADVANCED DISPLAY & SIGNS

726 2nd Street, Eureka, CA. 95501

7/31/2012

Prepared For:		**Prepared By:**	
New Customer Pam Resident Owned Parks 916-399-4993		Ted Sheets Advanced Display and Signs 726 2nd St. Eureka, CA 95501 USA	
Phone: Alt. Phone: E-Mail:	Fax:	Phone: 7074432816 Alt. Phone: E-Mail: adseureka@sbcglobal.net	Fax: 7074432044

Description:

Resident Owned Parks Signs

Quantity	Description	Each	Total	Taxable
1	48.00 x 60.00 sign on plywood stock. Top-Laminated with Overlaminate - Gloss - 3M 8518 Scotchcal Premium.	210.321	$210.32	
		Subtotal	$210.32	
		Sales Tax 8.00	18.29	
		Total	$228.61	

By my signature, I authorize work to begin and agree to pay the above amount in full according to the terms on this agreement.

Signed by **Date** **Amt. Paid Today**

+ HCD
re for electrical pedestal
range; Sandpiper Park.

FAX 255-2508.
Amy.



1591

California Department of Housing and Community Development
Division of Codes and Standards

CASHIER RECEIPT

148 BANK OF AMERICA 148
For Deposit Only
California State Treasurer
Housing & Community Development
7364110 09/04/2012 1 4 102 $203.00
Absence of Prior Endorsement Guaranteed

LMP12 M/P CHECK

51N311/39287 (6/10) 597335

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

AR

Date	Invoice #
7/23/2012	414

27073

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
848	5th of Month		7/23/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	CD Payment: Inspection fee	178.00	178.00

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc
7420 Greenhave, Drive Ste #125
Sacramento, CA. 95831

OK to pay Le Po
Date 8/14/12
P. O. # 34712-2
Acct. # 244-30-35-58500
Bill to file # Housing Impr

Total $178.00

California Department of Housing and Community Development
Division of Codes and Standards

CASHIER RECEIPT

OSP 01 56687

State of California
Business, Transportation and Housing Agency
Department of Housing and Community Development
Division of Codes and Standards
Mobilehome and Special Occupancy Parks Programs

13801
13557

APPLICATION FOR PERMIT TO CONSTRUCT

(SEE REVERSE SIDE OF FORM FOR INSTRUCTIONS AND ADDITIONAL INFORMATION)

CONTRACTOR/OWNER BUILDER DECLARATIONS
Not required for commercial modulars or Recreational Vehicles

1. LICENSED CONTRACTORS DECLARATION
I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect.

License Class _____ Lic. No. _____ Exp. Date _____

Contractor _____ Date _____

2. OWNER-BUILDER DECLARATION
I hereby affirm under penalty of perjury that I am exempt from the Contractors License Law for the following reason (Sec. 7031.5), Business and Professions Code: Any city or county which requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for such permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt therefrom and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars($500).)

☐ I, as owner of the property, or my employees with wages as their sole compensation, will do the work, and the structure is not intended or offered for sale (Sec. 7044, Business and Professions Code: The Contractors License Law does not apply to an owner of property who builds or improves thereon, and who does such work himself or herself or through his or her own employees, provided that such improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the owner-builder will have the burden of proving that he or she did not build or improve for the purpose of sale.)

X ☐ I, as owner of the property, am exclusively contracting with licensed contractors to construct the project (Sec. 7044, Business and Professions Code: The Contractors License Law does not apply to an owner of property who builds or improves thereon, and who contracts for such projects with a contractor(s) licensed pursuant to the Contractors License Law.)
☐ I am exempt under Sec. _____ B. & P.C. for this reason:

X Owner _____ Date 6/10/10

3. WORKERS' COMPENSATION DECLARATION
I hereby affirm under penalty of perjury one of the following declarations:
☐ I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.
☐ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:
Carrier _____
Policy Number _____
(This section need not be completed if the permit is for one hundred dollars ($100) or less).
☐ I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to workers' compensation laws of California, and agree that if I should become subject to workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.
Applicant _____ Date _____

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS ($100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

4. CONSTRUCTION LENDING AGENCY
I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Sec.3097, Civ. C.).
Lender's Name _____
Lender's Address _____

5. CERTIFICATION
I certify that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction, and hereby authorize representatives of this county to enter upon the above-mentioned property for inspection purposes.

X _____ 6/10/10
Date

SECTION 1 - OWNER/APPLICANT INFORMATION

Park Name Sandpiper Park
Park Address 115 G Street
City Arcata County Humboldt
Zip _____ Unincorporated _____ Incorporated _____
Park Owner Resident Owned Parks, Inc.
APPLICANT Resident Owned Parks, Inc.
☐ CONTRACTOR ☒ OWNER ☐ Other _____
Address 7420 Greenhaven Dr. #125
SAC, CA 95831 Tel. No 916 399 4993
Architect/Engineer Winzler + Kelly Lic. No. 70358
Address 633 3rd St. Tel. No. 7074438326
Eureka, CA 95501

SECTION 2 - DESCRIPTION OF WORK AND VALUATION

Re-construct mobilehome park. Remove 2 RV Lots from park
Revision to Lot Sizes
* 4 extra reinspections paid
(16 M+H Lots)
Valuation $ _____

SECTION 3 - ACCESSORY BUILDINGS or STRUCTURES

☐ NEW ☐ REINSTALL Standard Plan Approval No. _____
☐ Awning ☐ Carport ☐ Porch ☐ Cabana
☐ Other (specify) _____
OWNER _____ Tel. No. _____
Address _____
RESIDENT _____ Tel. No. _____
Lot No. _____

SECTION 4 - MANUFACTURED HOME/MOBILEHOME INSTALLATION

Owner _____ Tel. No. _____
Address _____
Resident _____ Lot No. _____
Serial Number(s) _____
Date of MFG. _____ Manufacturer Name/ Model Name _____
Insignia/HUD Label No. _____

SECTION 5 - PARK OWNER, OPERATOR OR MANAGER SIGNATURE

APPROVED: X _____ 6/10/10
(Signature Required) Date

DEPARTMENT USE ONLY

ID. No. 12-0041
☒ MP ☐ AS ☐ MHI
Closed By _____
Date Closed _____

COLLECTION INFORMATION

Collection # 6488399
Fee Rec'd 159 00 +178.00 6/25/12 KC
+203 4/7/11
Collection Date 6/10/10
Assigned To Pefley
Routed By _____

Upon Department approval to release, and payment of fees, this permit is issued only for items validated below.

PERMIT # _____
MH ACC/S _____
MP 444
BLDG _____
MHI _____
MISC. 712
TECH SER. 196
PLCK 203222
S.M.I. _____
ISSUE _____
TOTAL 1,777

DIVISION PROCESS RECORD

Application _____
Local Planning _____
Local Fire _____
Local Health _____
Public Works _____
Environmental Impact _____
Negative Declaration _____
School Impact Fees 6/16/11
Date 6/25/10
Issued By _____
Expires 12/25/10

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
6/14/2012	411

Bill To	Ship To
Assistant Planner City of Arcata 731 F St Arcata, CA 95521	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
816	5th of Month		6/14/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	VENDOR: H.C.D. Inspection fee 05/04/2012 Paid with check #1554	450.00	450.00
	City of Arcata Note	VENDOR: H.C.D. Inspection fee 05/24/2012 Paid with check #1555	450.00	450.00
	City of Arcata Note	VENDOR: H.C.D. Construction fees, plan check fee, 5 reinspection fees. Paid with Check #1557	1,556.00	1,556.00
		PLEASE MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven Dr. Ste 125 Sacramento, CA. 95831		

OK to pay [signature]
Date 6/19/12
P. O. # 3471 2-2
Acct. # 244-30-35-58500
Bill to file # Housing Improv

Total $2,456.00

STATE OF CALIFORNIA -BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS

ACTIVITY REPORT

Date 5/9/12 Report by Jeanne Peffley

Applicant Resident Owned Parks

Address 7420 Greenhaven Dr. Sacramento, Ca. 95831

Activity Site (if other than above) Sandpiper Park

115 G street Arcata, CA. 95521

Owner (if other than above) ROP

Address

AREA OFFICES

[X] Northern Area
9342 Tech Center Dr.
Suite 550
Sacramento, CA
95826-2558
Tel. (916) 255-2501

[ ] Southern-Area
3737 Main Street
Suite 400
Riverside, CA 92501
Tel. (951) 782-4420

PURPOSE OF REPORT: (Checked (✔) as appropriate)

[X] **INSPECTION RECORD ONLY**

[ ] **INFORMATION ONLY**

[ ] **NOTICE OF VIOLATION AND RELATED INFORMATION:** This report provides notice of violations of the California Health and Safety Code, Division 13 or the California Code of Regulations, Title 25, Division 1, Chapter 2, Sections indicated. Copies of the regulations may be obtained from Barclays Law Publishers, P. O. Box 3066, South San Francisco, CA 94083-3066.

Violations indicated shall be corrected and a written request for further inspection filed with the Area Office indicated above on or before _____ The request for inspection shall be accompanied by a minimum fee of $_____

A permit shall be obtained from the Area Office identified above for work to correct item(s) # n/a

If you believe this report has been issued in error or is factually incorrect, please contact the Area Supervisor at the Area Office indicated above.

INSPECTED UNIT IDENTIFICATION:

Type of Unit _____ Box Size _____ Overall Size _____ RT Decal No. _____

Manufacturer, Year and Model _____

HUD LABEL or HCD Insignia No. n/a

Serial No or V I N. _____

Paid POSTED 2554 check

DEPARTMENT USE ONLY

FILE IDENTIFICATION:

CPT/ASSIGNMENT# _____

FAC. ID # 12-0041

LABOR DATA:

DR ID 48 DATE 5/9/12

PCA/ACT CODE mp uci AREA n

CO 12 LOC _____ TR MILES 20

TIME: INSP/ACT 2.0 TR .5

INSPECTION DATA:

[ ] TIME REPORT ONLY

[ ] INITIAL INSPECTION [X] REINSPECTION

HOME/UNIT _____ #FLOORS _____

VIOLATION DATA:

TOTAL 0 MP TENANT _____

S ___ F ___ E ___ M ___ P ___ G/Q ___ NP ___

MH ALTERATION TYPE:

AC [ ] ACC [ ] ROOF [ ] FP [ ] O [ ]

THIRD-PARTY MONITORING:

QAA @ HQ [ ] IP [ ] DL [ ] IS [ ]

DAA #PLANS _____ #COMPLY _____

MP INSPECTION DATA:

BLG/FIX ___ MH LOT ___ RV LOT ___ AS ___

EH INSPECTION DATA:

[ ] ACTIVE [ ] INACTIVE

MAX CAP _____ P CAP _____ OCC _____

SFD _____ DORM _____ MH/RV _____ O _____

FEE ACCOUNTING:

COL# 6488399

	USED	DUE	ATTACHED
INSPECTION	716.00	450.00	
INSIGNIA			
OTHER			

ATTACHED FEE I.D. _____

INSPECTION RESULTS OR INFORMATION:

Conducted a requested open trench inspection of a section of sewer main line, laterals and risers to units 1,2,3,4 and 5. I met with Ross. The section was consistent with the approved plans and minor amended changes by engineer. As stated in the plans the engineer shall certify the sewer line slopes per their design. I was able to verify the laser level and pipe placement was consistent with the .07% shown on the approved plans. You may fill and compact

1. The approved plan is scheduled to expire on June 25, 2012. No inspections will be done by HCD after that time until a new permit has been issued. Please contact Alvina Kidwell in plan check at HCD.

2. The applicant had paid $444.00 for the permit fees and $712.00 for four additional re-inspections for a total of $1156.00. The first inspection, which was a progress inspection was done on 6/16/12 ($196.00 fee charged). The re-inspection time for 5/7/12 was 2 hours $178.00+$82.00=$260.00. The inspection time today 5/9/12 is 2 hours $178.00+$82.00=$260.00. $196.00+$260.00+$260.00=$716.00. $1156.00-$716.00= $440.00 remaining for re-inspection fees. I am recommending that the owner/applicant pay the department (HCD) additional re-inspection fees immediately. Inspections will be conducted daily until the underground work is completed.

Re-inspection fees are due at the time of the inspection in the amount of $178.00 for the first hour, $82.00 for subsequent hours and $41.00 for subsequent half hours pursuant to CCR 1004.

RECEIVED BY _____ TITLE _____

DEPARTMENTAL USE ONLY: Action: [ ] Close File [X] Reinspection Required [ ] Progress Inspection Required

[ ] Enforcement Action Needed [ ] Other _____

SEND COPIES TO: [ ] Recipient [ ] Owner [ ] SAA [ ] OL [ ] Other _____

SUPERVISOR REVIEW _____ DATE _____ COPIES SENT BY JLP DATE 5/9/12

HCD-61 (Rev.08/96)

OSP 02 66302

STATE OF CALIFORNIA-BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS

ID # _____

☐ Southern Area

☐ Northern Area

ACTIVITIES REPORT CONTINUATION

Date _____ Inspected by Jeanne Peffley Page _____ of _____

Name _____

BANK OF AMERICA
940 FLORIN ROAD
SACRAMENTO, CA 95831

1555

11-35/1210
1696

RESIDENT OWNED PARKS, INC.
(SANDPIPER PARK)
7420 GREENHAVEN DR STE 125 (916) 399-4993
SACRAMENTO, CA 95831

5/24/2012

PAY TO THE ORDER OF HCD | $ **450.00

Four Hundred Fifty and 00/100********** DOLLARS

HCD
9342 Tech Center Dr Ste 550
Sacramento CA 95826-2581

MEMO HCD ID# 12-0041
Sandpiper Park inspection deposit
115 G Street, Arcata, CA 95521

AUTHORIZED SIGNATURE

⑈001555⑈ ⑆121000358⑆ 1696167169⑈

1555

HCD 5/24/2012

Sandpiper Park Inspection Deposit 450.00

Additional Inspection fee deposit
for Sandpiper Park, 115 G St., Arcata, CA.
HCD ID # 12-0041

Bank of America - che Sandpiper Park inspection deposit 450.00

1557

BANK OF AMERICA
940 FLORIN ROAD
SACRAMENTO, CA 95831

11-36/1210
1696

RESIDENT OWNED PARKS, INC.
(SANDPIPER PARK)
7420 GREENHAVEN DR STE 125 (916) 399-4993
SACRAMENTO, CA 95831

June 14, 2012

PAY TO THE ORDER OF HCD. $ 1,556.00

One thousand five hundred fifty-six & NO/100 DOLLARS

MEMO Sandpiper Park # 12-0041
Construction fees = $444.
Plan Check fees = 222.
5 re-inspection fees = 890.
$1,556.00

AUTHORIZED SIGNATURE M/P

⑈001557⑈ ⑆121000358⑆ 1696 1⑈67169⑈

1557

1557

LMP12 M/P CHECK

From: Alvina Kidwell (akidwell@hcd.ca.gov)
To: rop@att.net;
Date: Wed, June 13, 2012 10:18:30 AM
Cc: cthomas@hcd.ca.gov; RKingsfo@hcd.ca.gov; jpeffley@hcd.ca.gov; ejackson@hcd.ca.gov;
Subject: Sandpiper Permit Fees

Maurice,

Ok the fees for the new permit (with revisions) are $1,556.00. The breakdown is this:

Construction fees	$444.00
Plan check fees	222.00
5 reinspection fees	890.00
Total	$1,556.00

Remember to bring in the old plans, 3 sets of the revised (clouded plans) the Calif. Coastal Commission Permit and any other calculations that have had to be changed.

Thanks.

Alvina Kidwell, DR II
Codes and Standards
Northern Area Office
Phone (916) 255-2521
Fax (916) 255-3813

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****
This email and any files attached are intended solely for the use of the individual or entity to which they are addressed. If you have received this email in error, please notify the sender immediately. This email and the attachments have been electronically scanned for email content security threats, including but not limited to viruses.

CITY OF ARCATA

JOURNAL ENTRY

Number 190

Date 9/13/12

Page

Account Number (12 digits)	Type Code/ Task Code	Debit	Credit
244-30-35-58500		7,871.56	
244-00-00-11000			7,871.56
550-00-00-11000		33.38	
550-00-00-24150			10.00
550-00-00-24050			23.38
590-00-00-11000		290.39	
590-00-00-24090			290.39
664-00-00-11000		134.08	
664-00-00-46459			134.08
666-00-00-11000		106.95	
666-00-00-42800			106.95
214-00-00-11000		2,338.28	
214-00-00-41800			2,338.28
101-00-00-11000		4,968.48	
101-00-00-46110			137.00
101-00-00-46140			250.00
101-00-00-46150			1,217.00
101-00-00-42300			3,364.48

Description:

Building permit fees for Sandpiper, PERMIT #11699. AMOUNT TO BE APPLIED AGAINST THE LOAN TO ROP.

Prepared By: Denise Monday Date 9/13/2012

Examined By: Date 9/13/2012

Posted By: Date 10/5/12

736 "F" Street
Arcata, CA 95521
(707)822-5956

BUILDING PERMIT APPLICATION

Permit No:
11699

Job Project Address	APN	APN 2	APN 3
115 G St.	503-224-046		

Job Project Description
tri-plex with office

Property Owner Name	Property Owner Address	Phone	Cell
Resident Owned Parks Inc.	7420 Greenhaven Drive / # 125 Sacramento, C		

Project Owner Name	Project Owner Address	Phone	Cell
None			

IDENTIFY WHO WILL PERFORM THE WORK - complete either 1 or 2

1 LICENSED CONTRACTOR'S DECLARATION

I hereby affirm that I am licensed under the provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code and my license is in full force and effect.

Contractor: Greg Pierson | Doing Business As: Pierson Company
Contractor's License Number: 265024 | Lic. Expiration Date: 3/31/2014 | Phone: (707) 268-1800
CITY OF ARCATA Contractor Business License #: | Lic. Expiration Date: | Cell:
Mailing Address: 1200 West Harris / Eureka, 95503-

Signature _____ **Date** 9-13-2012

2 OWNER-BUILDER DECLARATION

I hereby affirm under penalty of perjury that I am exempt from the Contractors' State License Law for the reason(s) indicated below by the checkmark(s) I have placed next to the applicable item(s) (Section 7031.5, Business and Professions Code: Any city or county that requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for the permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors' State Lic. Law (Chapter 9 (commensing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt from licensure and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than $500.):

____ I, as owner of the property, or my employees with wages as their sole compensation, will do (__) all of or (__) portion of the work, and the structure is not intended or offered for sale (Sec. 7044, Business and Professions Code: The Contractor's State License Law does not apply to an owner of property who, through employees' or personal effort, builds or improves the property, provided that the improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the Owner-Builder will have the burden of proving that it was not built or improved for the purpose of sale.

____ I, as owner of the property, am exclusively contracting with licensed contractors to construct the project (Sec. 7044, Business and Professions Code: The Contractor's License Law does not apply to an owner of property who builds or improves thereon, and who contracts for the projects with a licensed Contractor pursuant to the Contractors' State License Law).

____ I am exempt from licensure under the Contractors' State Lic. Law for the following reason: _____

By my signature below I acknowledge that, except for my personal residence in which I must have resided for at least one year prior to completion of the improvements covered by this permit, I cannot legally sell a structure that I have built as an owner-builder if it has not been constructed in its entirety by licensed contractors. I understand that a copy of the applicable law, Section 7044 of the Business and Professions Code, is available upon request when this application is submitted or at the following Web site: http://www.leginfo.ca.gov/calaw.html.

Property owner signature

Signature _____ **Date** _____

BUILDING PERMIT APPLICATION, Continued

Permit No: 11699

ARCHITECT'S INFORMATION

Architect's Name	None	Doing Business As					
License Number		Lic. Expiration Date		Phone		Cell	
Mailing Address							

ENGINEER'S INFORMATION

Engineer's Name	Richard Dills	Doing Business As					
License Number	S4069	Lic. Expiration Date	3/31/2014	Phone	(916) 799-7999	Cell	
Mailing Address	5010 Adalis Drive / Elk Gove, CA, 95758-						

REPLACEMENT COST OR VALUATION OF PROJECT $233,828.00

		Reviewed By	Date
Soil-Geologic Report	Comm Dev ○ Applicable ◉ N/A		
	Bldg Division ○ Applicable ◉ N/A		
Public Works			
Sewer / Water App	◉ Applicable ○ N/A	mce	9/11/2012
Encroachment Permit	◉ Applicable ○ N/A	mce	9/11/2012
Flood Elevation Certificate	◉ Applicable ○ N/A	mce	9/11/2012
Environmental Services	○ Applicable ◉ N/A		
Fire Department	○ Applicable ◉ N/A		

ALL OTHER FEES

Scanning Fee	423	$12.48
Building Standards Administration Fee	302	$10.00
E.S. Waste Diversion	633	$134.08
General Plan Surcharge	309	$290.39
Seismic Residential	301	$23.38
ALL OTHER FEES		$470.33

ALL OTHER FEES - COMM. DEV.

C.D. Staff Review Community Dev.	611	$137.00
ALL OTHER FEES - COMM. DEV.		$137.00

ALL OTHER FEES - PUBLIC WORK

P.W. Drainage	428	$106.95
P.W. Encroachment	613	$574.08
P.W. Plan Check	614	$250.00
P.W. Residential Construction Fee (Res.)	418	$2,338.28
ALL OTHER FEES - PUBLIC WORKS		$3,269.31

SINGLE FAMILY

PC - Residential	615	$1,217.00

BUILDING PERMIT APPLICATION, Continued

Permit No: 11699

SINGLE FAMILY		
Custom/Model - 2,000 - 4,999 sq.ft.		
INSP - Residential Custom/Model - 2,000 - 4,999 sq.ft	423	$3,352.00
SINGLE FAMILY		$4,569.00

Total Permit Fees	$8,445.64
LESS: Pre-Payments	$0.00
Total Permit Fees DUE	**$8,445.64**

Date Paid: _____ Initials: _____

David, the permit cost is

8,445.64
- 574.08 Encroachment fee
7871.56

Previous

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
11/15/2012	434

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/15/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	December 2012 Cash Deficit PLEASE MAKE CHECK PAYABLE TO: Resident Owned Parks Inc 7420 Greenhaven Dr #125 Sacramento, CA. 95831	4,453.00	4,453.00

OK to pay LaPo
Date 11/20/12
P.O. # 34712-2
Acct. # 244.30-35-58500
Bill to file # City Housing Improv.

	Total	$4,453.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
10/15/2012	429

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	27373

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		10/15/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	November 2012 Cash Deficit PLEASE MAKE CHECK PAYABLE TO: Recident Owned Parks Inc 7420 Greenhaven Dr #125 Sacramento, CA. 95831 OK to pay fcp Date 10/22/12 P.O.# 34712 Acct.# 244-30-35-58500 Bill to file # Housing Improv	4,453.00	4,453.00

	Total	$4,453.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
9/14/2012	421

27247

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		9/14/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	OCT'12 CASH DEFICIT PLEASE MAKE CHECK PAYABLE TO: Resident Owned Parks Inc 7420 Greenhaven Dr #125 Sacramento, CA. 95831	4,453.00	4,453.00

OK to pay

Date 9/17/12

P.O. # 3471 2-2

Acct. # 244-30-35-58500

Bill to file # Housing Imprv

	Total	$4,453.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
8/15/2012	419

27118

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		8/15/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	SEP'12 CASH DEFICIT PLEASE MAKE CHECK PAYABLE TO: Recident Owned Parks Inc 7420 Greenhaven Dr #125 Sacramento, CA. 95831 OK to pay Date 8/20/12 P. O. # 34712 Acct. # 244-30-35-58500 Bill to file # Housing Imprsv	4,453.00	4,453.00

Total $4,453.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
7/23/2012	416

27069

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
848	5th of Month		7/23/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	August2012 Cash deficit	4,453.00	4,453.00

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhave Drive Ste. 125
Sacramento, CA. 95831

OK to pay LaPa
Date 8/14/12
P.O.# 34712-2
Acct.# 244-30-35-58500
Bill to file # Housing Improve

Total	$4,453.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
6/15/2012	412

Bill To	Ship To
Assistant Planner City of Arcata 731 F St Arcata, CA 95521	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
816	5th of Month		6/15/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	JULY 2012 | CASH DEFICIT PLEASE MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhave Dr. Ste 125 Sacramento, CA. 95831 OK to pay for PO Date 6/19/12 P. O. # 34712-2 Acct. # 244-30-35-58500 Bill to file # Housing Improve	4,453.00	4,453.00

	Total	$4,453.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
5/17/2012	408

26769

Bill To	Ship To
Joe Mateer Assistant Planner City of Arcata 731 F St Arcata, CA 95521	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		5/17/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	JUNE'12 CASH DEFICIT PLEASE MAKE CHECK PAYABLE TO: Resident Owned Parks Inc 7420 Greenhaven Dr #125 Sacramento, CA. 95831	4,453.00	4,453.00

OK to pay _____
Date 5/29/12
P.O. # 3 4712-2
Acct. # 244-30-35-5800
Bill to file # Housing Improvement

	Total	$4,453.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
11/28/2012	454

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/28/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Point West Surveying Co. Invoice #10341 (See Attachment)	1,800.00	1,800.00

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven Drive Ste 125
Sacramento, CA. 95831

OK to pay [signature]
Date 12/4/12
P.O.# 3412-2
Acct.# 244-30-35-58500
Bill to file # City housing

RECEIVED
DEC 04 2012
COMMUNITY DEVELOPMENT
CITY OF ARCATA

Total $1,800.00

POINTS WEST SURVEYING CO.
5201 Carlson Park Drive, Suite 3 Arcata, CA 95521

Invoice

Invoice #: 10341
Invoice Date: 11/28/2012
Due Date: 11/28/2012

Project
617-12

Bill To:
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, Ca. 95831

Date	Description	Amount
11/28/2012	Topographic Survey Determine NGVD 29 Elevations on the finish floor and adjacent grade on 16 mobile home units at Sandpiper Mobile Home Park- prepare sketch of findings.	1,800.00

11-28-2012
RDP Note: This work was done to satisfy HCD requirement on each of the 16 homes, & assure that the floor level of each home complies with flood elevation requirements. Copy of topographic survey previously provided to City of Arcata.
Payment Approved.

Sandpiper Park, Arcata, Ca.

Total	$1,800.00
Payments/Credits	$0.00
Balance Due	$1,800.00

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
11/2/2012	431

2746

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/2/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Invoice from LACO (See attachment)	468.00	468.00

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven Drive Ste. 125
Sacramento CA. 95831

OK to pay for PO
Date 11/26/12
P.O. # 34712-2
Acct. # 244-3035-58500
Bill to file # City housing Improv.

Total $468.00

LACO

INVOICE

Maurice Priest
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

October 30, 2012
Project No: 07664.00
Invoice No: 0031522

Project Manager Dale Romanini

Project 07664.00 Sandpiper Park - ROP Testing

Payment Terms: **Net15**

Please contact your Project Manager at 707-443-5054 with questions regarding billing.

Professional Services from September 23, 2012 to October 20, 2012

Phase 1200 Laboratory Services

Task 1220 Soil Compaction Testing

Professional Personnel

		Hours	Rate	Amount	
Senior Tech. I					
		1.50	69.00	103.50	
	Totals	1.50		103.50	
	Total Labor				**103.50**

Unit Billing

9/5/2012	Nuclear Gauge (hour)	2.0 Hours @ 15.00	30.00	
9/5/2012	Vehicle-Basecharge Minimum (<2hrs)	1.0 Day @ 15.00	15.00	
	Total Units	**1.0 times**	**45.00**	**45.00**
		Total this Task		**$148.50**

Task 1330 Engineer Oversight, Report Processing, & Project Management

Professional Personnel

	Hours	Rate	Amount
Senior Engineer II			
	1.00	130.00	130.00
Senior Tech. I			
	.25	69.00	17.25
Administrative I			
	.75	55.00	41.25
Laboratory Manager			
	1.00	86.00	86.00
Project Coordinator			

Please remit payment to: PO Box 1023, Eureka, California 95502

	.75	60.00	45.00	
Totals	3.75		319.50	
Total Labor				**319.50**

Total this Task **$319.50**

Total this Phase **$468.00**

Billing Limits	**Current**	**Prior**	**To-Date**
Total Billings	468.00	948.25	1,416.25
Limit			1,416.25

Total this Invoice **$468.00**

Contracted: 8/17/12tgc

OK. 11/2/2012
Maurice Prioot, ROP.

Please remit payment to: PO Box 1023, Eureka, California 95502

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
9/20/2012	425

27263

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		9/20/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	LACO Associates Invoice #0031308 MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhave Dr. Ste 125 Sacramento, CA. 95831	948.00	948.00

OK to pay [signature]
Date 10/2/12
P.O.# 34712-2
Acct.# 244-30-35-58500
Bill to file # Housing Improv.

	Total	$948.00

LACO ASSOCIATES
ENGINEERS · GEOLOGISTS · ENVIRONMENTAL CONSULTANTS

INVOICE

Maurice Priest
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

September 04, 2012
Project No: 07664.00
Invoice No: 0031308

Project Manager Dale Romanini

Project 07664.00 Sandpiper Park - ROP Testing

Payment Terms: **Net15**

Please contact your Project Manager at 707-443-5054 with questions regarding billing.

Professional Services from July 29, 2012 to August 25, 2012

Phase 1200 Laboratory Services

Task 1220 Soil Compaction Testing

Professional Personnel	**Hours**	**Rate**	**Amount**	
Sr. Geologist III	2.00	115.00	230.00	
Senior Tech III	3.00	79.00	237.00	
Senior Tech. I	2.00	69.00	138.00	
Totals	7.00		605.00	
Total Labor				**605.00**

Unit Billing				
8/17/2012	Nuclear Gauge (hour)	2.0 Hours @ 15.00	30.00	
8/22/2012	Nuclear Gauge (hour)	2.0 Hours @ 15.00	30.00	
8/17/2012	Vehicle-Basecharge Minimum (<2hrs)	1.0 Day @ 15.00	15.00	
8/22/2012	Vehicle-Basecharge Minimum (<2hrs)	1.0 Day @ 15.00	15.00	
	Total Units	**1.0 times**	**90.00**	**90.00**
		Total this Task		**$695.00**

Task 1330 Engineer Oversight, Report Processing, & Project Management

Professional Personnel	**Hours**	**Rate**	**Amount**
Sr. Geologist III	.25	115.00	28.75
Administrative I			

Remit Payment To: PO Box 1023, Eureka, California 95502

	.25	55.00	13.75	
Laboratory Manager				
	2.00	86.00	172.00	
Principal Engineering Geologist				
	.25	155.00	38.75	
Totals	2.75		253.25	
Total Labor				**253.25**
		Total this Task		**$253.25**
		Total this Phase		**$948.25**

Billing Limits	**Current**	**Prior**	**To-Date**
Total Billings	948.25	0.00	948.25
Limit			1,250.00
Remaining			301.75

Total this Invoice **$948.25**

Contracted: 8/17/12tgc

Remit Payment To: PO Box 1023, Eureka, California 95502

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
11/2/2012	430

27465

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/2/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Invoice from John Roberts / Project manager consultant (See attachment) Sandpiper Park 2 story project MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven Drive Ste. 125 Sacramento CA. 95831	462.50	462.50

OK to pay [signature]
Date 11/26/12
P. O. # 34712-2
Acct. # 2443035-58500
Bill to file # City Housing Imprv.

Total	$462.50

	John Roberts		
	707-498-4858		
	ROP		
	660 Martin Way		
	Eureka, Ca.		95503

Month Start: 10/1/2012

Date	Activity #1	Hours	Activity #2	Hours	Activity #3	Hours	Activity #5	Hours	Activity #6	Hours	Total
Mon 10/1/2012											
Tue 10/2/2012											
Wed 10/3/2012											
Thu 10/4/2012											
Fri 10/5/2012											
Sat 10/6/2012											
Sun 10/7/2012											
Mon 10/8/2012											
Tue 10/9/2012											
Wed 10/10/2012											
Thu 10/11/2012	review change order 1R2 call to sa for backgr	0.50									0.50
Fri 10/12/2012	Tele with Sarah, email update to Maurice	0.75									0.75

	John Roberts	
	707-498-4858	
	ROP	
	660 Martin Way	
	Eureka, Ca.	95503

Month Start: 10/1/2012

Date	Activity #1	Hours	Activity #2	Hours	Activity #3	Hours	Activity #5	Hours	Activity #6	Hours	Total
Sat 10/13/2012											
Sun 10/14/2012											
Mon 10/15/2012											
Tue 10/16/2012	Pick up and revlew plns. spec's	1.00	tele w/ sarah, dean	0.50	e mail and fax to Maury	0.50					2.00
Wed 10/17/2012	emails & replys. Spnklr docs	0.50									0.50
Thu 10/18/2012											
Fri 10/19/2012	site visit, meet with contr, pict	2.00	conf call, sarah, dean, maury, me	0.50	report to Maury	1.00					3.50
Sat 10/20/2012											
Sun 10/21/2012	send pics to maury										
Mon 10/22/2012	rev of and email to maury site fill and compaction	0.50									0.50
Tue 10/23/2012											
Wed 10/24/2012	MULTIBLE E MAILS AND RESPONSES	0.50									0.50

	John Roberts
	707-498-4858
	ROP
	660 Martin Way
	Eureka, Ca. 95503

Month Start: 10/1/2012

Date	Activity #1	Hours	Activity #2	Hours	Activity #3	Hours	Activity #5	Hours	Activity #6	Hours	Total
Thu 10/25/2012											
Fri 10/26/2012											
Sat 10/27/2012											
Sun 10/28/2012											
Mon 10/29/2012	REVIEW AND RESPOND VARIOUS EMAIL g mail various	0.50									0.50
Tue 10/30/2012		0.50									0.50
Wed 10/31/2012											
		6.75		1.00		1.50					9.25

Enter Pay Rate: $50.00 $462.50

mileage rate:

Total Cost: $462.50

11-1-12

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
8/16/2012	420

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		8/16/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GR Sundberg Inc. | Invoice #881 (see attachment)	19,185.30	19,185.30

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven Dr. #125
Sacramento, CA. 95831

OK to pay for PO
Date 9/4/12
P. O. # 34712
Acct. # 244-30-35-58500
Bill to file # Housing Improv.

REVISED INVOICE

Total $19,185.30

Back up documentation
For ROP INV
#420

G R Sundberg, Inc.

5211 Boyd Road
Arcata, CA 95521

Invoice

Date	Invoice #
7/31/2012	881

Bill To
Resident Owned Parks Maurice Priest 7420 Greenhaven Dr., Suite 125 Sacramento, CA 95831

Ship To
Resident Owned Parks Maurice Priest 7420 Greenhaven Dr., Suite 125 Sacramento, CA 95831 RE: Sandpiper MHP

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
REVISED PPO#4	Due on receipt	RS	7/31/2012	EMAIL	SANDPIPER HP	Sandpiper Mobile Home Park

Quantity	Item Code	Description	Price Each	Amount
		SANDPIPER MOBILE HOME PARK		
0	Contract Billing	BID ITEM #1 MOBILIZATION	16,300.00	0.00
0.25	Contract Billing	BID ITEM #2 TRAFFIC CONTROL & CONSTRUCTION AREA SIGNS	3,825.00	956.25
0	Contract Billing	BID ITEM #3 VERIFY EXISTING UTILITY LOCATIONS	2,000.00	0.00
0	Contract Billing	BID ITEM #4 CLEARING, GRUBBING & DEMO	21,000.00	0.00
0	Contract Billing	BID ITEM #5 TEMP SHORING AND TRENCH SAFETY	102.00	0.00
0.25	Contract Billing	BID ITEM #6 EROSION & SEDIMENT CONTROL	4,300.00	1,075.00
0.35	Contract Billing	BID ITEM #7 EARTHWORK	26,665.00	9,332.75
0	Contract Billing	BID ITEM #8 WATER FACILITIES	21,000.00	0.00
0	Contract Billing	BID ITEM #9 SEWER FACILITIES	24,500.00	0.00
0	Contract Billing	BID ITEM #10 DRAINAGE IMPROVEMENTS	16,620.00	0.00
0	Contract Billing	BID ITEM #11 GAS FACILITIES	15,300.00	0.00
0	Contract Billing	BID ITEM #12 ELECTRICAL FACILITIES	70,763.00	0.00
0	Contract Billing	BID ITEM #13 CABLE TV FACILITIES	3,063.00	0.00
0	Contract Billing	BID ITEM #14 TELEPHONE FACILITIES	6,809.00	0.00
0	Contract Billing	BID ITEM #15 SITE LIGHTING FACILITIES	15,734.00	0.00
0	Contract Billing	BID ITEM #16 CONCRETE CURBS, GUTTERS, SIDEWALKS, CURB RAMPS, DRIVEWAYS, AND UTILITY ISLANDS	125,500.00	0.00
0	Contract Billing	BID ITEM #17 AC ROADS, DRIVEWAYS & PARKING AREAS	40,000.00	0.00
0	Contract Billing	BID ITEM #18 PAVEMENT MARKINGS, STRIPING, TRAFFIC SIGNS, & CONCRETE WHEEL STOP	1,500.00	0.00
0	Contract Billing	BID ITEM #19 FENCING (WOOD FRAME)	1,400.00	0.00
0	Contract Billing	BID ITEM #20 GRASS PAVERS	2,311.00	0.00
1	Change Order	CCO 1.1	142.00	142.00
1	Change Order	CCO 1.2	3,350.00	3,350.00
1	Change Order	CCO 1.3	645.00	645.00
1	Change Order	CCO 1.4	2,900.00	2,900.00
1	Change Order	CCO 2.1	2,666.00	2,666.00
1	Change Order	CCO 2.2	250.00	250.00

Please remit to above address.

Total $21,317.00

Owner: Resident Owned Parks, Inc.
Project: Sandpiper Mobile Home Park
Contractor: GRS Inc.
Application No.: 4
Period To: July 31, 2012

CONTRACT WORK

Item #	Description	Unit	Quantity	Unit Price	Total Cost	UNITS (Work in Place) PREV.	THIS PER.	TO DATE	PROGRESS PAYMENTS PREVIOUS Work in Place	PREVIOUS Stored Materials	THIS PER. Work in Place	THIS PER. Stored Materials	TO DATE Work in Place	TO DATE Stored Materials	% COMP.
1	Mobilization & Demobilization	LS	1	$ 16,300.00	$ 16,300.00	0.53	0	0.53	$ 8,639.00	$ -	$ -	$ -	$ 8,639.00	$ -	53.0%
2	Traffic Control & Construction Area Signs	LS	1	$ 3,825.00	$ 3,825.00	0.5	0.25	0.8	$ 1,912.50	$ -	$ 956.25	$ -	$ 2,868.75	$ -	75.0%
3	Verify Existing Utility Locations	LS	1	$ 2,000.00	$ 2,000.00	1	0	1	$ 2,000.00	$ -	$ -	$ -	$ 2,000.00	$ -	100.0%
4	Clearing, Grubbing & Demolition	LS	1	$ 21,000.00	$ 21,000.00	1	0	1	$ 21,000.00	$ -	$ -	$ -	$ 21,000.00	$ -	100.0%
5	Temporary Shoring and Trench Safety	LS	1	$ 102.00	$ 102.00	1	0	1	$ 102.00	$ -	$ -	$ -	$ 102.00	$ -	100.0%
6	Erosion & Sediment Control	LS	1	$ 4,300.00	$ 4,300.00	0.5	0.25	0.8	$ 2,150.00	$ -	$ 1,075.00	$ -	$ 3,225.00	$ -	75.0%
7	Earthwork	LS	1	$ 26,665.00	$ 26,665.00	0.5	0.35	0.9	$ 13,332.50	$ -	$ 9,332.75	$ -	$ 22,665.25	$ -	85.0%
8	Water Facilities	LS	1	$ 21,000.00	$ 21,000.00	0.9	0	0.9	$ 18,900.00	$ -	$ -	$ -	$ 18,900.00	$ -	90.0%
9	Sewer Facilities	LS	1	$ 24,500.00	$ 24,500.00	0.9	0	0.9	$ 22,050.00	$ -	$ -	$ -	$ 22,050.00	$ -	90.0%
10	Drainage Improvements	LS	1	$ 36,935.00	$ 36,935.00	0.45	0	0.45	$ 16,620.75	$ 3,891.82	$ -	$ -	$ 16,620.75	$ 3,891.82	45.0%
11	Gas Facilities	LS	1	$ 15,300.00	$ 15,300.00	0.9	0	0.9	$ 13,770.00	$ -	$ -	$ -	$ 13,770.00	$ -	90.0%
12	Electrical Facilities	LS	1	$ 70,763.00	$ 70,763.00	0.7	0	0.7	$ 49,534.10	$ -	$ -	$ -	$ 49,534.10	$ -	70.0%
13	Cable TV Facilities	LS	1	$ 3,083.00	$ 3,083.00	0.9	0	0.9	$ 2,756.70	$ -	$ -	$ -	$ 2,756.70	$ -	90.0%
14	Telephone Facilities	LS	1	$ 6,809.00	$ 6,809.00	0.9	0	0.9	$ 6,128.10	$ -	$ -	$ -	$ 6,128.10	$ -	90.0%
15	Site lighting Facilities	LS	1	$ 15,734.00	$ 15,734.00	0.5	0	0.5	$ 7,867.00	$ -	$ -	$ -	$ 7,867.00	$ -	50.0%
16	Concrete Curbs, Gutters, Sidewalks, Curb Ramps, Driveways, and Utility Islands	LS	1	$ 125,500.00	$ 125,500.00	0.7	0	0.7	$ 87,850.00	$ -	$ -	$ -	$ 87,850.00	$ -	70.0%
17	Asphalt Concrete Roads, Driveways, and Parking Areas	LS	1	$ 40,000.00	$ 40,000.00	0.25	0	0	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00	$ -	25.0%
18	Pavement Markings and Stripping, Traffic Signs and Concrete Wheel Stop	LS	1	$ 1,500.00	$ 1,500.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
19	Fencing	LS	1	$ 1,400.00	$ 1,400.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
20	Grass Pavers	LS	1	$ 2,311.00	$ 2,311.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
	SUBTOTAL OF CONTRACT WORK				$ 499,007.00				$ 284,612.65	$ 3,891.82	$ 11,364.00	$ -	$ 296,976.65	$ 3,891.82	
									$	288,504.47	$	11,364.00	$	299,868.47	60.1%

CHANGE ORDERS

Item #	Description	Unit	Quantity	Unit Price	Total Cost	UNITS (Work in Place) PREV.	THIS PER.	TO DATE	PROGRESS PAYMENTS PREVIOUS Work in Place	PREVIOUS Stored Materials	THIS PER. Work in Place	THIS PER. Stored Materials	TO DATE Work in Place	TO DATE Stored Materials	% COMP.
1.1	2" Irrigation Sleeve	LS	1	$ 142.00	$ 142.00	0	1	1	$ -	$ -	$ 142.00	$ -	$ 142.00	$ 142.00	100.0%
1.2	Concrete Roadway Repair	LS	1	$ 3,350.00	$ 3,350.00	0	1	1	$ -	$ -	$ 3,350.00	$ -	$ 3,350.00	$ 3,350.00	100.0%
1.3	2" Gate Valve	LS	1	$ 645.00	$ 645.00	0	1	1	$ -	$ -	$ 645.00	$ -	$ 645.00	$ 645.00	100.0%
1.4	Temporary Lot Corners	LS	1	$ 2,900.00	$ 2,900.00	0	1	1	$ -	$ -	$ 2,900.00	$ -	$ 2,900.00	$ 2,900.00	100.0%
1.5	Project Suspension, Demobilization, Remobilization, General Overhead & Finish Work	LS	1	$ 26,160.00	$ 26,160.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
2.1	Subgrade Repair	LS	1	$ 2,666.00	$ 2,666.00	0	1	1	$ -	$ -	$ 2,666.00	$ -	$ 2,666.00	$ 2,666.00	100.0%
2.2	Vertical Survey Control Stake	LS	1	$ 250.00	$ 250.00	0	1	1	$ -	$ -	$ 250.00	$ -	$ 250.00	$ 250.00	100.0%
	SUBTOTAL OF CONTRACT WORK				$ 36,113.00				$	$	$ 9,953.00	$	$	$	
									$		$	9,953.00	$		64.1%

SUMMARY

Description	Total Cost	PROGRESS PAYMENTS PREVIOUS Work in Place	PREVIOUS Stored Materials	THIS PER. Work in Place	THIS PER. Stored Materials	TO DATE Work in Place	TO DATE Stored Materials	% COMP.
SUBTOTAL CONTRACT & CHANGE ORDER	$ 475,120.00	$ 284,612.65	$ 3,891.82	$ 21,317.00	$ -	$ 305,929.65	$ 13,844.82	67.3%
LESS RETENTIONS (10%)	$ (47,512.00)	$ (28,461.27)	$ (389.18)	$ (2,131.70)	$ -	$ (30,592.97)	$ (1,384.48)	
CONTRACT TOTALS	$ 427,608.00	$ 256,151.38	$ 3,502.64	$ 19,185.30	$ -	$ 275,336.68	$ 12,460.34	
		$	259,654.02	$	19,185.30	$	287,796.98	

CURRENT PAYMENT DUE $ 19,185.30

The undersigned Contractor certifies that, to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: _____ GRS Inc.

Date: Aug 22, 2012

Owner: Resident Owned Parks, Inc.
Project: Sandpiper Mobile Home Park
Contractor: GRS Inc.
Application No.: 4
Period To: July 31, 2012

CONTRACT WORK						UNITS (Work In Place)			PROGRESS PAYMENTS						
Item #	Description	Unit	Quantity	Unit Price	Total Cost	PREV.	THIS EST.	TO DATE	PREVIOUS		THIS EST.		TO DATE		% COMP.
									Work In Place	Stored Materials	Work In Place	Stored Materials	Work In Place	Stored Materials	
1	Mobilization & Demobilization	LS	1	$ 16,300.00	$ 16,300.00	0.53	0	0.53	$ 8,639.00	$ -	$ -	$ -	$ 8,639.00	$ -	53.0%
2	Traffic Control & Construction Area Signs	LS	1	$ 3,825.00	$ 3,825.00	0.5	0.25	0.8	$ 1,912.50	$ -	$ 956.25	$ -	$ 2,868.75	$ -	75.0%
3	Verify Existing Utility Locations	LS	1	$ 2,000.00	$ 2,000.00	1	0	1	$ 2,000.00	$ -	$ -	$ -	$ 2,000.00	$ -	100.0%
4	Clearing, Grubbing & Demolition	LS	1	$ 21,000.00	$ 21,000.00	1	0	1	$ 21,000.00	$ -	$ -	$ -	$ 21,000.00	$ -	100.0%
5	Temporary Shoring and Trench Safety	LS	1	$ 102.00	$ 102.00	1	0	1	$ 102.00	$ -	$ -	$ -	$ 102.00	$ -	100.0%
6	Erosion & Sediment Control	LS	1	$ 4,300.00	$ 4,300.00	0.5	0.25	0.8	$ 2,150.00	$ -	$ 1,075.00	$ -	$ 3,225.00	$ -	75.0%
7	Earthwork	LS	1	$ 26,665.00	$ 26,665.00	0.5	0.35	0.9	$ 13,332.50	$ -	$ 9,332.75	$ -	$ 22,665.25	$ -	85.0%
8	Water Facilities	LS	1	$ 21,000.00	$ 21,000.00	0.9	0	0.9	$ 18,900.00	$ -	$ -	$ -	$ 18,900.00	$ -	90.0%
9	Sewer Facilities	LS	1	$ 24,500.00	$ 24,500.00	0.9	0	0.9	$ 22,050.00	$ -	$ -	$ -	$ 22,050.00	$ -	90.0%
10	Drainage Improvements	LS	1	$ 36,935.00	$ 36,935.00	0.45	0	0.45	$ 16,620.75	$ 3,891.82	$ -	$ -	$ 16,620.75	$ 3,891.82	45.0%
11	Gas Facilities	LS	1	$ 15,300.00	$ 15,300.00	0.9	0	0.9	$ 13,770.00	$ -	$ -	$ -	$ 13,770.00	$ -	90.0%
12	Electrical Facilities	LS	1	$ 70,763.00	$ 70,763.00	0.7	0	0.7	$ 49,534.10	$ -	$ -	$ -	$ 49,534.10	$ -	70.0%
13	Cable TV Facilities	LS	1	$ 3,063.00	$ 3,063.00	0.9	0	0.9	$ 2,756.70	$ -	$ -	$ -	$ 2,756.70	$ -	90.0%
14	Telephone Facilities	LS	1	$ 6,809.00	$ 6,809.00	0.9	0	0.9	$ 6,128.10	$ -	$ -	$ -	$ 6,128.10	$ -	90.0%
15	Site lighting Facilities	LS	1	$ 15,734.00	$ 15,734.00	0.5	0	0.5	$ 7,867.00	$ -	$ -	$ -	$ 7,867.00	$ -	50.0%
16	Concrete Curbs, Gutters, Sidewalks, Curb Ramps, Driveways, and Utility Islands	LS	1	$ 125,500.00	$ 125,500.00	0.7	0	0.7	$ 87,850.00	$ -	$ -	$ -	$ 87,850.00	$ -	70.0%
17	Asphalt Concrete Roads, Driveways, and Parking Areas	LS	1	$ 40,000.00	$ 40,000.00	0.25	0	0	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00	$ -	25.0%
18	Pavement Markings and Stripping, Traffic Signs and Concrete Wheel Stop	LS	1	$ 1,500.00	$ 1,500.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
19	Fencing	LS	1	$ 1,400.00	$ 1,400.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
20	Grass Pavers	LS	1	$ 2,311.00	$ 2,311.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
	SUBTOTAL OF CONTRACT WORK				$ 439,007.00				$ 284,612.65	$ 3,891.82	$ 11,364.00	$ -	$ 295,976.65	$ 3,891.82	
									$ 288,504.47		$ 11,364.00		$ 299,868.47		68.3%

CHANGE ORDERS						UNITS (Work In Place)			PROGRESS PAYMENTS						
Item #	Description	Unit	Quantity	Unit Price	Total Cost	PREV.	THIS EST.	TO DATE	PREVIOUS		THIS EST.		TO DATE		% COMP.
									Work In Place	Stored Materials	Work In Place	Stored Materials	Work In Place	Stored Materials	
1.1	2" Irrigation Sleeve	LS	1	$ 142.00	$ 142.00	0	1	1	$ -	$ -	$ 142.00	$ -	$ 142.00	$ 142.00	100.0%
1.2	Concrete Roadway Repair	LS	1	$ 3,350.00	$ 3,350.00	0	1	1	$ -	$ -	$ 3,350.00	$ -	$ 3,350.00	$ 3,350.00	100.0%
1.3	2" Gate Valve	LS	1	$ 645.00	$ 645.00	0	1	1	$ -	$ -	$ 645.00	$ -	$ 645.00	$ 645.00	100.0%
1.4	Temporary Lot Corners	LS	1	$ 2,900.00	$ 2,900.00	0	1	1	$ -	$ -	$ 2,900.00	$ -	$ 2,900.00	$ 2,900.00	100.0%
1.5	Project Suspension, Demobilization, Remobilization, General Overhead & Finish Work	LS	1	$ 26,160.00	$ 26,160.00	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
2.1	Subgrade Repair	LS	1	$ 2,666.00	$ 2,666.00	0	1	1	$ -	$ -	$ 2,666.00	$ -	$ 2,666.00	$ 2,666.00	100.0%
2.2	Vertical Survey Control Stake	LS	1	$ 250.00	$ 250.00	0	1	1	$ -	$ -	$ 250.00	$ -	$ 250.00	$ 250.00	100.0%
	SUBTOTAL OF CONTRACT WORK				$ 36,113.00				$ -	$ -	$ 9,953.00	$ -	$ 9,953.00	$ 9,953.00	
									$ -		$ 9,953.00		$ 19,906.00		55.1%

SUMMARY									PROGRESS PAYMENTS						
	Description				Total Cost				PREVIOUS		THIS EST.		TO DATE		% COMP.
									Work In Place	Stored Materials	Work In Place	Stored Materials	Work In Place	Stored Materials	
	SUBTOTAL CONTRACT & CHANGE ORDER				$ 475,120.00				$ 284,612.65	$ 3,891.82	$ 21,317.00	$ -	$ 305,929.65	$ 13,844.82	67.3%
	LESS RETENTIONS (10%)				$ (47,512.00)				$ (28,461.27)	$ (389.18)	$ (2,131.70)	$ -	$ (30,592.97)	$ (1,384.48)	
	CONTRACT TOTALS				$ 427,608.00				$ 256,151.39	$ 3,502.64	$ 19,185.30	$ -	$ 275,336.69	$ 12,460.34	
									$ 259,654.02		$ 19,185.30		$ 287,797.02		

CURRENT PAYMENT DUE $ 19,185.30

The undersigned Contractor certifies that, to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: _____
GRS Inc.

Date: _____

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
12/10/2012	456

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		12/10/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Sarah Atkins Invoice (See attachment)	495.00	495.00
		MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven Drive Ste. 125 Sacramento CA. 95831		
		OK to pay Lo PO Date 12/17/12 P.O.# 3472-2 Acct.# 244-30-35-58500 Bill to file # City Housing		

Total $495.00

Sarah Atkins, Atkins Drafting
1125 16th Street
Suite 203
Arcata, CA 95521
Phone (707) 822-110

RnSAtkins@sbcglobal.net

Statement for Services Rendered

December 3, 2012

ROP, Inc.
Attn.: Maurice Priest
7420 Greenhaven Dr.
Suite 125
Sacramento, CA 95831

Job Description:

Sandpiper Park
Arcata, CA

Complete Construction Plans for
Site Built Office /Triplex

Building Application Plan Check,
Site Alterations and revisions,
Construction Assistance

(27.5 hrs. x $ 55 /hr. + $49.90 prints)
Previously Billed (10/1/12): $1,562.40

(9 hrs. x $55 /hr. + $23.10 prints)
Additional Billing (10/1/12 – 11/1/12): $518.10

(9 hrs. x $55 /hr.)
Additional Billing (11/1/12 – 12/1/12): $495.00

Current

Please make checks payable to "Atkins Drafting"
Thank you!

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
11/9/2012	433

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/9/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Sarah Atkins Invoice (See attachment)	518.10	518.10

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven Drive Ste. 125
Sacramento CA. 95831

OK to pay Le Poe
Date 11/26/12
P. O. # 34712-2
Acct. # 244-30-35-58500
Bill to file # City housing Improv.

Total $518.10

Sarah Atkins, Atkins Drafting
1125 16th Street
Suite 203
Arcata, CA 95521
Phone (707) 822-110

RnSAtkins@sbcglobal.net

Statement for Services Rendered

November 3, 2012

ROP, Inc.
Attn.: Maurice Priest
7420 Greenhaven Dr.
Suite 125
Sacramento, CA 95831

Job Description:

Sandpiper Park
Arcata, CA

Complete Construction Plans for
Site Built Office /Triplex

Building Application Plan Check,
Site Alterations and revisions,
Construction Assistance

(27.5 hrs. x $ 55 /hr. + $49.90 prints)
Previously Billed (10/1/12): $1,562.40

(9 hrs. x $55 /hr. + $23.10 prints)
Additional Billing (10/1/12 – 11/1/12): $518.10

Please make checks payable to "Atkins Drafting"
Thank you!

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
10/1/2012	427

37302

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		10/1/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Sarah Atkins Invoice (See Attachment)	1,562.40	1,562.40
		MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven Dr. Ste 125 Sacramento, CA. 95831		

OK to pay [signature]
Date 10/9/12
P. O. # 34712-2
Acct. # 244-30-35-58500
Bill to file # Housing improv.

Total $1,562.40

Sarah Atkins, Atkins Drafting
1125 16th Street
Suite 203
Arcata, CA 95521
Phone (707) 822-110

RnSAtkins@sbcglobal.net

Statement for Services Rendered

October 1, 2012

ROP, Inc.
Attn.: Maurice Priest
7420 Greenhaven Dr.
Suite 125
Sacramento, CA 95831

Job Description:

Sandpiper Park
Arcata, CA

Complete Construction Plans for
Site Built Office /Triplex

Building Application Plan Check,
Construction Assistance

(27.5 hrs. x $ 55 /hr. + $49.90 prints)
Amount Due to Date: $1,562.40

Please make checks payable to "Atkins Drafting"
Thank you!

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
8/2/2012	418

27054

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
848	5th of Month		8/2/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Invoice from Sarah Atkins (see attachment) MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhave Dr. Ste #125 Sacramento, CA. 95831 OK to pay La Po Date 8/14/12 P.O.# 34712-2 Acct.# 244-30-35-58500 Bill to file # Housing Improv.	1,247.60	1,247.60
			Total	$1,247.60

Sarah Atkins, Atkins Drafting
1125 16th Street
Suite 203
Arcata, CA 95521
Phone (707) 822-110

RnSAtkins@sbcglobal.net

Statement for Services Rendered

July 6, 2011

ROP, Inc.
Attn.: Maurice Priest
7420 Greenhaven Dr.
Suite 125
Sacramento, CA 95831

Job Description:

Sandpiper Park
Arcata, CA

Complete Construction Plans for
Site Built Office /Triplex

Building Department Application & Submittal
Bid Specs & Administration

(18 hrs. x $ 55 /hr. + $257.60 prints)

Amount Due to Date: $1,247.60

Please make checks payable to "Atkins Drafting"
Thank you!

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
11/16/2012	437

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		11/16/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GHD Invoice #68726 (See attachment) MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven, Dr. #125 Sacramento, CA. 95831 OK to pay for PO Date 11/26/12 P.O. # 34712.2 Acct. # 244-30-35-58500 Bill to file # City housing Improv.	2,920.38	2,920.38

Total $2,920.38

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922
707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

RESIDENT OWNED PARKS, INC
7420 GREENHAVEN DRIVE
SUITE 125
SACRAMENTO, CA 95831

Attention: MR MAURICE PRIEST

Invoice # : 68726
Invoice Date : 10/26/2012
Project : **1118707001**
Client : 11187
Invoice Group: 01

Billing Period through: 10/21/2012

SANDPIPER MOBILE HOME PARK IMPROVEMENTS PROJECT
ARCATA, CA

ADDITIONAL SERVICES RELATED TO:
- **NATURAL GAS PLANS & SPECIFICATIONS**
- **ENCROACHMENT PERMIT**
- **BIDDING ASSISTANCE**
- **DRAINAGE CALCULATIONS**
- **CONSTRUCTION MANAGEMENT ASSISTANCE, STAKING**

Professional Services	
Labor	1,722.50
Reimbursable Expenses	
Expenses	1,118.38
Unit Pricing	79.50
Amount Due This Invoice :	**$2,920.38**

Statement

Prior Invoices	$56,131.51
This Invoice	$2,920.38
Total Invoiced	$59,051.89
Invoices Paid to Date	$51,644.99
Unpaid Invoices Due	**$7,406.90**

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922
707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 68726**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

AMENDMENT NO. 2 - SCOPE OF SERVICES AGREEMENT; AMEND NO. 6

Rate Schedule Labor

Class / Employee Name	*Date*	*Hours*	*Rate*	*Amount*
Senior Project Engineer				
JOSHUA A WOLF	9/25/2012	1.50	130.00	195.00
	9/26/2012	1.50	130.00	195.00
	9/27/2012	0.50	130.00	65.00
	9/28/2012	0.25	130.00	32.50
	10/1/2012	1.00	130.00	130.00
	10/2/2012	1.00	130.00	130.00
	10/4/2012	0.50	130.00	65.00
	10/5/2012	1.00	130.00	130.00
	10/10/2012	4.00	130.00	520.00
	10/11/2012	0.25	130.00	32.50
	10/12/2012	0.25	130.00	32.50
	10/15/2012	1.00	130.00	130.00
	10/17/2012	0.50	130.00	65.00
		13.25		1,722.50
	Rate Schedule Labor			***1,722.50***

Regular Expenses

Vendor Name	*Doc Nbr*	*Date*	*Cost*	*Multiplier*	*Amount*
REIMBURSABLE CONSULTANTS					
LACO ASSOCIATES, INC. PROFESSIONAL SERVICES	210696	10/15/2012	972.50	1.150	1,118.38
	Regular Expenses				***1,118.38***

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
JOSHUA A WOLF	2348	9/25/2012	1.50	6.00	9.00
	2348	9/26/2012	1.50	6.00	9.00
	2348	9/27/2012	0.50	6.00	3.00
	2348	9/28/2012	0.25	6.00	1.50
	2348	10/1/2012	1.00	6.00	6.00
	2348	10/2/2012	1.00	6.00	6.00
	2348	10/4/2012	0.50	6.00	3.00
	2348	10/5/2012	1.00	6.00	6.00
	2348	10/10/2012	4.00	6.00	24.00
	2348	10/11/2012	0.25	6.00	1.50
	2348	10/12/2012	0.25	6.00	1.50
	2348	10/15/2012	1.00	6.00	6.00
	2348	10/17/2012	0.50	6.00	3.00
			13.25		79.50
	Unit Pricing				***79.50***

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 68726**

Total Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST	**Labor :**	**1,722.50**
	Expense :	**1,197.88**
Total Project: 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA		**$2,920.38**

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
10/8/2012	428

27345

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		10/8/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GHD Invoice #68210 (See attachment)	1,334.90	1,334.90

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven, Dr. #125
Sacramento, CA. 95831

OK to pay LaP O
Date 10/15/12
P. O. # 34712
Acct. # 244-30-35-58500
Bill to file # Housing Improv

	Total	$1,334.90

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
10/8/2012	428

27345

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		10/8/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GHD Invoice #68210 (See attachment)	1,334.90	1,334.90

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven, Dr. #125
Sacramento, CA. 95831

OK to pay LaP O
Date 10/15/12
P. O. # 34712
Acct. # 244-30-35-58500
Bill to file # Housing Improv

Total	$1,334.90

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

RESIDENT OWNED PARKS, INC
7420 GREENHAVEN DRIVE
SUITE 125
SACRAMENTO, CA 95831

Attention: MR MAURICE PRIEST

Invoice # : 68210
Invoice Date : 9/28/2012
Project : **1118707001**
Client : 11187
Invoice Group: 01

Billing Period through: 9/23/2012

SANDPIPER MOBILE HOME PARK IMPROVEMENTS PROJECT
ARCATA, CA

ADDITIONAL SERVICES RELATED TO:
- **NATURAL GAS PLANS & SPECIFICATIONS**
- **ENCROACHMENT PERMIT**
- **BIDDING ASSISTANCE**
- **DRAINAGE CALCULATIONS**
- **CONSTRUCTION MANAGEMENT ASSISTANCE, STAKING**

Professional Services	
Labor	1,252.50
Reimbursable Expenses	
Expenses	19.40
Unit Pricing	63.00
Amount Due This Invoice :	**$1,334.90**

Statement

Prior Invoices	$54,796.61
This Invoice	$1,334.90
Total Invoiced	$56,131.51
Invoices Paid to Date	$51,644.99
Unpaid Invoices Due	**$4,486.52**

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922
707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 68210**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

AMENDMENT NO. 2 - SCOPE OF SERVICES AGREEMENT; AMEND NO. 6

Rate Schedule Labor

Class / Employee Name	*Date*	*Hours*	*Rate*	*Amount*
Project Administrator				
LINDA COSTA-FRANKLIN	8/27/2012	0.50	65.00	32.50
	9/10/2012	0.50	65.00	32.50
	9/19/2012	0.25	65.00	16.25
		1.25		81.25
Project Engineer				
JAKOB SCHILLINGER	8/28/2012	0.50	105.00	52.50
Senior Project Engineer				
JOSHUA A WOLF	8/27/2012	0.50	130.00	65.00
	8/28/2012	0.50	130.00	65.00
	8/29/2012	0.50	130.00	65.00
	8/30/2012	1.00	130.00	130.00
	8/31/2012	0.50	130.00	65.00
	9/5/2012	0.50	130.00	65.00
	9/6/2012	0.50	130.00	65.00
	9/10/2012	0.50	130.00	65.00
	9/14/2012	2.50	130.00	325.00
	9/20/2012	0.50	130.00	65.00
	9/21/2012	1.00	130.00	130.00
		8.50		1,105.00
Senior WP/Support				
LINDLEY J CASILLAS	8/31/2012	0.25	55.00	13.75
	Rate Schedule Labor			***1,252.50***

Regular Expenses

Vendor Name	*Doc Nbr*	*Date*	*Cost*	*Multiplier*	*Amount*
REIMBURSABLE EXPENSES					
FEDEX	208998	9/10/2012	8.51	1.150	9.79
	209320	9/14/2012	8.36	1.150	9.61
			16.87		19.40
	Regular Expenses				***19.40***

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
LINDA COSTA-FRANKLIN	0309	8/27/2012	0.50	6.00	3.00
	0309	9/10/2012	0.50	6.00	3.00
	0309	9/19/2012	0.25	6.00	1.50
			1.25		7.50
LINDLEY J CASILLAS	0368	8/31/2012	0.25	6.00	1.50
JAKOB SCHILLINGER	1955	8/28/2012	0.50	6.00	3.00
JOSHUA A WOLF	2348	8/27/2012	0.50	6.00	3.00

GHD Inc. USA West Offices In:
Eureka, Inland Empire, Irvine, Sacramento, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, CA; Portland, OR; Phoenix, AZ; Guam and Saipan

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 68210**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
JOSHUA A WOLF	2348	8/28/2012	0.50	6.00	3.00
	2348	8/29/2012	0.50	6.00	3.00
	2348	8/30/2012	1.00	6.00	6.00
	2348	8/31/2012	0.50	6.00	3.00
	2348	9/5/2012	0.50	6.00	3.00
	2348	9/6/2012	0.50	6.00	3.00
	2348	9/10/2012	0.50	6.00	3.00
	2348	9/14/2012	2.50	6.00	15.00
	2348	9/20/2012	0.50	6.00	3.00
	2348	9/21/2012	1.00	6.00	6.00
			8.50		51.00
Total: Inhouse Equipment / Supplies					63.00
	Unit Pricing				***63.00***

Total Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST	**Labor :**	**1,252.50**
	Expense :	**82.40**
Total Project: 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA		**$1,334.90**

GHD Inc. USA West Offices In:
Eureka, Inland Empire, Irvine, Sacramento, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, CA; Portland, OR; Phoenix, AZ; Guam and Saipan

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
7/23/2012	415

27070

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
848	5th of Month		7/23/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GHD Payment: Invoice #66536 Projec manageement	3,554.75	3,554.75

MAKE CHECK PAYABLE TO:
Resident Owned Parks Inc.
7420 Greenhaven Dr. Ste 125
Sacramento, CA. 95831

OK to pay Lupo
Date 8/14/12
P. O. # 34712-2
Acct. # 244-30-35-58500
Bill to file # Housing Improv.

Total $3,554.75

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922
707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

RESIDENT OWNED PARKS, INC
7420 GREENHAVEN DRIVE
SUITE 125
SACRAMENTO, CA 95831

Invoice # : 66536
Invoice Date : 6/29/2012
Project : 1118707001
Invoice Group: 01

Attention: MR MAURICE PRIEST

Billing Period through: 6/17/2012

SANDPIPER MOBILE HOME PARK IMPROVEMENTS PROJECT
ARCATA, CA

ADDITIONAL SERVICES RELATED TO:
- **NATURAL GAS PLANS & SPECIFICATIONS**
- **ENCROACHMENT PERMIT**
- **BIDDING ASSISTANCE**
- **DRAINAGE CALCULATIONS**
- **CONSTRUCTION MANAGEMENT ASSISTANCE, STAKING**

POSTED

Professional Services	
Labor	3,391.25
Reimbursable Expenses	
Unit Pricing	163.50
Amount Due This Invoice :	**$3,554.75**

Statement

Prior Invoices	$45,419.74
This Invoice	$3,554.75
Total Invoiced	$48,974.49
Invoices Paid to Date	$44,884.99
Unpaid Invoices Due	**$4,089.50**

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 66536**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

AMENDMENT NO. 2 - SCOPE OF SERVICES AGREEMENT; AMEND NO. 6

Rate Schedule Labor

Class / Employee Name	*Date*	*Hours*	*Rate*	*Amount*
Project Administrator				
LINDA COSTA-FRANKLIN	6/13/2012	0.75	65.00	48.75
Project Engineer				
JOSHUA A WOLF	5/21/2012	0.50	125.00	62.50
	5/22/2012	2.00	125.00	250.00
	5/23/2012	0.50	125.00	62.50
	5/24/2012	1.00	125.00	125.00
	5/29/2012	1.00	125.00	125.00
	5/30/2012	1.00	125.00	125.00
	5/31/2012	1.00	125.00	125.00
	6/1/2012	1.00	125.00	125.00
	6/4/2012	2.50	125.00	312.50
	6/5/2012	2.00	125.00	250.00
	6/6/2012	4.50	125.00	562.50
	6/7/2012	0.50	125.00	62.50
	6/8/2012	2.50	125.00	312.50
	6/11/2012	1.00	125.00	125.00
	6/13/2012	3.50	125.00	437.50
		24.50		3,062.50
Senior Project Engineer				
MERRITT A PERRY	5/22/2012	1.00	140.00	140.00
	5/25/2012	1.00	140.00	140.00
		2.00		280.00
		Rate Schedule Labor		***3,391.25***

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
LINDA COSTA-FRANKLIN	0309	6/13/2012	0.75	6.00	4.50
MERRITT A PERRY	1622	5/22/2012	1.00	6.00	6.00
	1622	5/25/2012	1.00	6.00	6.00
			2.00		12.00
JOSHUA A WOLF	2348	5/21/2012	0.50	6.00	3.00
	2348	5/22/2012	2.00	6.00	12.00
	2348	5/23/2012	0.50	6.00	3.00
	2348	5/24/2012	1.00	6.00	6.00
	2348	5/29/2012	1.00	6.00	6.00
	2348	5/30/2012	1.00	6.00	6.00
	2348	5/31/2012	1.00	6.00	6.00
	2348	6/1/2012	1.00	6.00	6.00
	2348	6/4/2012	2.50	6.00	15.00
	2348	6/5/2012	2.00	6.00	12.00

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 66536**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
JOSHUA A WOLF	2348	6/6/2012	4.50	6.00	27.00
	2348	6/7/2012	0.50	6.00	3.00
	2348	6/8/2012	2.50	6.00	15.00
	2348	6/11/2012	1.00	6.00	6.00
	2348	6/13/2012	3.50	6.00	21.00
			24.50		147.00
Total: Inhouse Equipment / Supplies					163.50
		Unit Pricing			***163.50***
Total Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST				**Labor :**	**3,391.25**
				Expense :	**163.50**
Total Project: 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA					**$3,554.75**

GHD Inc. USA West Offices In:
Eureka, Inland Empire, Irvine, Sacramento, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, CA; Portland, OR; Seattle, WA; Phoenix, AZ; Guam and Saipa

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Date: 7/19/2012

STATEMENT

RESIDENT OWNED PARKS, INC
7420 GREENHAVEN DRIVE
SUITE 125
SACRAMENTO, CA 95831

Attention: Accounts Payable

* Invoice Number	Date	Amount	Balance
Project: 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA			
66536	6/29/2012	3,554.75	**3,554.75**

Client - RESIDENT OWNED PARKS, INC Total Due : 3,554.75

Aged Balances

1 - 30	31 - 60	61 - 90	Over 90	Unallocated
3,554.75	0.00	0.00	0.00	0.00

*** This is not an invoice. This is a statement of outstanding invoices. Please contact the Accounts Receivable department at 707-268-2625 if you have any questions.**

GHD Inc. USA West Offices In:
Eureka, Inland Empire, Irvine, Sacramento, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, CA; Portland, OR; Seattle, WA; Phoenix, AZ; Guam and Saipan

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
7/26/2012	417

27055

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
848	5th of Month		7/26/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	Invoice #66881 From GHD Inc. (see attachment) MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven, Road Ste. #125 Sacramento, CA. 95831 OK to pay Lo Pa Date 8/14/12 P. O. # 34712-2 Acct. # 244-30-35-5850 Bill to file # Housing Improv.	2,670.50	2,670.50

	Total	$2,670.50

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

RESIDENT OWNED PARKS, INC
7420 GREENHAVEN DRIVE
SUITE 125
SACRAMENTO, CA 95831

Invoice # : 66881
Invoice Date : 7/26/2012
Project : **1118707001**
Invoice Group: 01

Attention: MR MAURICE PRIEST

Billing Period through: 7/22/2012

SANDPIPER MOBILE HOME PARK IMPROVEMENTS PROJECT
ARCATA, CA

ADDITIONAL SERVICES RELATED TO:
NATURAL GAS PLANS & SPECIFICATIONS
ENCROACHMENT PERMIT
BIDDING ASSISTANCE
DRAINAGE CALCULATIONS
CONSTRUCTION MANAGEMENT ASSISTANCE, STAKING

Professional Services	
Labor	2,540.00
Reimbursable Expenses	
Unit Pricing	130.50
Amount Due This Invoice :	**$2,670.50**

Statement

Prior Invoices	$48,974.49
This Invoice	$2,670.50
Total Invoiced	$51,644.99
Invoices Paid to Date	$45,419.74
Unpaid Invoices Due	**$6,225.25**

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 66881**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

AMENDMENT NO. 2 - SCOPE OF SERVICES AGREEMENT; AMEND NO. 6

Rate Schedule Labor

Class / Employee Name	*Date*	*Hours*	*Rate*	*Amount*
Project Administrator				
LINDA COSTA-FRANKLIN	6/20/2012	1.75	65.00	113.75
	6/21/2012	0.25	65.00	16.25
		2.00		130.00
Project Engineer				
YOASH TILLES	6/21/2012	3.00	110.00	330.00
TERRENCE K WILLIAMS	6/21/2012	3.50	110.00	385.00
Review Electrical Submittals				
	7/17/2012	1.50	110.00	165.00
	7/19/2012	1.00	110.00	110.00
		6.00		660.00
Total: Project Engineer		9.00		990.00
Senior Project Engineer				
MERRITT A PERRY	7/18/2012	1.50	145.00	217.50
Review and Coordinate Compaction Requirements with Geotech and Contractor				
JOSHUA A WOLF	6/21/2012	0.50	130.00	65.00
	6/22/2012	2.00	130.00	260.00
	6/25/2012	0.50	130.00	65.00
	6/28/2012	0.50	130.00	65.00
	6/29/2012	0.50	130.00	65.00
	7/3/2012	0.25	130.00	32.50
	7/5/2012	1.00	130.00	130.00
	7/10/2012	0.50	130.00	65.00
	7/11/2012	0.50	130.00	65.00
	7/12/2012	0.50	130.00	65.00
	7/13/2012	0.50	130.00	65.00
	7/16/2012	0.50	130.00	65.00
	7/17/2012	0.50	130.00	65.00
	7/18/2012	0.50	130.00	65.00
	7/19/2012	0.50	130.00	65.00
		9.25		1,202.50
Total: Senior Project Engineer		10.75		1,420.00
		Rate Schedule Labor		***2,540.00***

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
LINDA COSTA-FRANKLIN	0309	6/20/2012	1.75	6.00	10.50
	0309	6/21/2012	0.25	6.00	1.50
			2.00		12.00
MERRITT A PERRY	1622	7/18/2012	1.50	6.00	9.00

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 66881**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
YOASH TILLES	2038	6/21/2012	3.00	6.00	18.00
JOSHUA A WOLF	2348	6/21/2012	0.50	6.00	3.00
	2348	6/22/2012	2.00	6.00	12.00
	2348	6/25/2012	0.50	6.00	3.00
	2348	6/28/2012	0.50	6.00	3.00
	2348	6/29/2012	0.50	6.00	3.00
	2348	7/3/2012	0.25	6.00	1.50
	2348	7/5/2012	1.00	6.00	6.00
	2348	7/10/2012	0.50	6.00	3.00
	2348	7/11/2012	0.50	6.00	3.00
	2348	7/12/2012	0.50	6.00	3.00
	2348	7/13/2012	0.50	6.00	3.00
	2348	7/16/2012	0.50	6.00	3.00
	2348	7/17/2012	0.50	6.00	3.00
	2348	7/18/2012	0.50	6.00	3.00
	2348	7/19/2012	0.50	6.00	3.00
			9.25		55.50
TERRENCE K WILLIAMS	2363	6/21/2012	3.50	6.00	21.00
	2363	7/17/2012	1.50	6.00	9.00
	2363	7/19/2012	1.00	6.00	6.00
			6.00		36.00
Total: Inhouse Equipment / Supplies					130.50
		Unit Pricing			***130.50***

Total Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST **Labor : 2,540.00**
Expense : 130.50

Total Project: 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **$2,670.50**

GHD Inc. USA West Offices In:
Eureka, Inland Empire, Irvine, Sacramento, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, CA; Portland, OR; Seattle, WA; Phoenix, AZ; Guam and Saipan

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
9/20/2012	424

27262

Bill To	Ship To
CITY OF ARCATA 731 F St Arcata, CA 95521 Attn. David Loya	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
	5th of Month		9/20/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GHD Invoice #67628 (See attachment) MAKE CHECK PAYABLE TO: Resident Owned Parks Inc. 7420 Greenhaven Dr. Ste 125 Sacramento, CA. 95831 OK to pay Date 10/2/12 P.O.# 34712 Acct.# 244-30-35-58500 Bill to file # Housing Improv.	3,151.62	3,151.62

	Total	$3,151.62

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

RESIDENT OWNED PARKS, INC
7420 GREENHAVEN DRIVE
SUITE 125
SACRAMENTO, CA 95831

Attention: MR MAURICE PRIEST

Invoice # : 67628
Invoice Date : 8/31/2012
Project : **1118707001**
Client : 11187
Invoice Group: 01

Billing Period through: 8/26/2012

SANDPIPER MOBILE HOME PARK IMPROVEMENTS PROJECT
ARCATA, CA

ADDITIONAL SERVICES RELATED TO:
NATURAL GAS PLANS & SPECIFICATIONS
ENCROACHMENT PERMIT
BIDDING ASSISTANCE
DRAINAGE CALCULATIONS
CONSTRUCTION MANAGEMENT ASSISTANCE, STAKING

Professional Services	
Labor	2,978.75
Reimbursable Expenses	
Expenses	18.49
Unit Pricing	154.38
Amount Due This Invoice :	**$3,151.62**

Statement

Prior Invoices	$51,644.99
This Invoice	$3,151.62
Total Invoiced	$54,796.61
Invoices Paid to Date	$45,419.74
Unpaid Invoices Due	**$9,376.87**

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922
707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 67628**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

AMENDMENT NO. 2 - SCOPE OF SERVICES AGREEMENT; AMEND NO. 6

Rate Schedule Labor

Class / Employee Name	*Date*	*Hours*	*Rate*	*Amount*
Project Administrator				
LINDA COSTA-FRANKLIN	7/24/2012	0.50	65.00	32.50
	7/31/2012	0.25	65.00	16.25
	8/1/2012	0.25	65.00	16.25
	8/16/2012	0.50	65.00	32.50
		1.50		97.50
Project Engineer				
TERRENCE K WILLIAMS	7/23/2012	1.00	110.00	110.00
Senior Designer				
DOUGLAS B SEDIVY	7/25/2012	2.00	100.00	200.00
Photometric Analysis				
Senior Project Engineer				
MERRITT A PERRY	7/25/2012	1.00	145.00	145.00
	7/30/2012	0.50	145.00	72.50
		1.50		217.50
JOSHUA A WOLF	7/23/2012	1.00	130.00	130.00
	7/24/2012	1.50	130.00	195.00
	7/25/2012	2.00	130.00	260.00
	7/26/2012	1.00	130.00	130.00
	7/30/2012	1.00	130.00	130.00
	7/31/2012	1.00	130.00	130.00
	8/1/2012	2.00	130.00	260.00
	8/2/2012	1.00	130.00	130.00
	8/6/2012	1.00	130.00	130.00
	8/7/2012	1.00	130.00	130.00
	8/8/2012	0.50	130.00	65.00
	8/9/2012	0.50	130.00	65.00
	8/13/2012	0.50	130.00	65.00
	8/14/2012	0.50	130.00	65.00
	8/16/2012	0.50	130.00	65.00
	8/20/2012	0.50	130.00	65.00
	8/21/2012	2.00	130.00	260.00
	8/22/2012	0.50	130.00	65.00
		18.00		2,340.00
Total: Senior Project Engineer		19.50		2,557.50
Senior WP/Support				
LINDLEY J CASILLAS	7/27/2012	0.25	55.00	13.75

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922
707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 67628**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

Rate Schedule Labor ***2,978.75***

Regular Expenses

Vendor Name	*Doc Nbr*	*Date*	*Cost*	*Multiplier*	*Amount*
REIMBURSABLE EXPENSES					
FEDEX	207799	8/13/2012	16.08	1.150	18.49

Regular Expenses ***18.49***

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Personal Vehicle Employee Mileage					
JOSHUA A WOLF ARCATA TO SANDPIPER	ER00120106	5/30/2012	16.00	0.56	8.88
Inhouse Equipment / Supplies					
LINDA COSTA-FRANKLIN	0309	7/24/2012	0.50	6.00	3.00
	0309	7/31/2012	0.25	6.00	1.50
	0309	8/1/2012	0.25	6.00	1.50
	0309	8/16/2012	0.50	6.00	3.00
				1.50	9.00
LINDLEY J CASILLAS	0368	7/27/2012	0.25	6.00	1.50
MERRITT A PERRY	1622	7/25/2012	1.00	6.00	6.00
	1622	7/30/2012	0.50	6.00	3.00
				1.50	9.00
JOSHUA A WOLF	2348	7/23/2012	1.00	6.00	6.00
	2348	7/24/2012	1.50	6.00	9.00
	2348	7/25/2012	2.00	6.00	12.00
	2348	7/26/2012	1.00	6.00	6.00
	2348	7/30/2012	1.00	6.00	6.00
	2348	7/31/2012	1.00	6.00	6.00
	2348	8/1/2012	2.00	6.00	12.00
	2348	8/2/2012	1.00	6.00	6.00
	2348	8/6/2012	1.00	6.00	6.00
	2348	8/7/2012	1.00	6.00	6.00
	2348	8/8/2012	0.50	6.00	3.00
	2348	8/9/2012	0.50	6.00	3.00
	2348	8/13/2012	0.50	6.00	3.00
	2348	8/14/2012	0.50	6.00	3.00
	2348	8/16/2012	0.50	6.00	3.00
	2348	8/20/2012	0.50	6.00	3.00
	2348	8/21/2012	2.00	6.00	12.00
	2348	8/22/2012	0.50	6.00	3.00
				18.00	108.00
TERRENCE K WILLIAMS	2363	7/23/2012	1.00	6.00	6.00
DOUGLAS B SEDIVY	4905	7/25/2012	2.00	6.00	12.00
Total: Inhouse Equipment / Supplies					145.50

REMIT PAYMENTS TO :
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 67628**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

Unit Pricing		*154.38*
Total Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST	**Labor :**	**2,978.75**
	Expense :	**172.87**
Total Project: 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA		**$3,151.62**

GHD Inc. USA West Offices In:
Eureka, Inland Empire, Irvine, Sacramento, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, CA; Portland, OR; Phoenix, AZ; Guam and Saipan

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
6/6/2012	409

Bill To	Ship To
Joe Mateer Assistant Planner City of Arcata 731 F St Arcata, CA 95521	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
65785	5th of Month		6/6/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GHD Invoice 65785 PLEASE MAKE CHECK PAYABLE TO: Resident Owned Parks Inc 7420 Greenhaven Drive Ste 125 Sacramento, CA. 95831 OK to pay Le PO Date 6/11/12 P.O.# 34712-2 Acct.# 244-30-35-58500 Bill to file # Housing Improv.	3,337.50	3,337.50

	Total	$3,337.50

Sandpiper Park

Resident Owned Parks, Inc.
7420 Greenhaven Drive Suite 125
Sacramento, CA. 95831

Invoice

Date	Invoice #
6/6/2012	409

Bill To	Ship To
Joe Mateer Assistant Planner City of Arcata 731 F St Arcata, CA 95521	

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
65785	5th of Month		6/6/2012			

Quantity	Item Code	Description	Price Each	Amount
	City of Arcata Note	GHD Invoice 65785 PLEASE MAKE CHECK PAYABLE TO: Resident Owned Parks Inc 7420 Greenhaven Drive Ste 125 Sacramento, CA. 95831	3,337.50	3,337.50

OK to pay [signature]
Date 6/11/12
P. O. # 34712-2
Acct. # 244-30-35-58500
Bill to file # Housing Improv.

Total $3,337.50

REMIT PAYMENTS TO:
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

RESIDENT OWNED PARKS, INC
7420 GREENHAVEN DRIVE
SUITE 125
SACRAMENTO, CA 95831

Invoice # : 65785
Invoice Date : 5/29/2012
Project : **1118707001**
Invoice Group: 01

Attention: MR MAURICE PRIEST

Billing Period through: 5/20/2012

SANDPIPER MOBILE HOME PARK IMPROVEMENTS PROJECT
ARCATA, CA

ADDITIONAL SERVICES RELATED TO:
NATURAL GAS PLANS & SPECIFICATIONS
ENCROACHMENT PERMIT
BIDDING ASSISTANCE
DRAINAGE CALCULATIONS
CONSTRUCTION MANAGEMENT ASSISTANCE, STAKING

Professional Services	
Labor	3,187.50
Reimbursable Expenses	
Unit Pricing	150.00
Amount Due This Invoice :	**$3,337.50**

Statement

Prior Invoices	$42,082.24
This Invoice	$3,337.50
Total Invoiced	$45,419.74
Invoices Paid to Date	$41,547.49
Unpaid Invoices Due	**$3,872.25**

REMIT PAYMENTS TO:
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 65785**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

AMENDMENT NO. 2 - SCOPE OF SERVICES AGREEMENT; AMEND NO. 6

Rate Schedule Labor

Class / Employee Name	*Date*	*Hours*	*Rate*	*Amount*
Project Engineer				
JOSHUA A WOLF	4/23/2012	0.75	125.00	93.75
	4/24/2012	0.75	125.00	93.75
	4/25/2012	0.50	125.00	62.50
	4/26/2012	0.50	125.00	62.50
	4/27/2012	0.50	125.00	62.50
	4/30/2012	2.00	125.00	250.00
	5/2/2012	0.50	125.00	62.50
	5/3/2012	0.50	125.00	62.50
	5/4/2012	3.00	125.00	375.00
	5/7/2012	3.00	125.00	375.00
	5/8/2012	3.00	125.00	375.00
	5/9/2012	1.00	125.00	125.00
	5/11/2012	1.00	125.00	125.00
	5/14/2012	0.25	125.00	31.25
	5/15/2012	0.50	125.00	62.50
	5/16/2012	0.25	125.00	31.25
		18.00		2,250.00
Senior Project Engineer				
MERRITT A PERRY	5/4/2012	2.50	140.00	350.00
	5/9/2012	1.00	140.00	140.00
	5/10/2012	1.00	140.00	140.00
	5/11/2012	1.00	140.00	140.00
	5/16/2012	0.50	140.00	70.00
	5/17/2012	0.50	140.00	70.00
		6.50		910.00
WP/Support				
LINDLEY J CASILLAS	4/23/2012	0.50	55.00	27.50
		Rate Schedule Labor		***3,187.50***

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
LINDLEY J CASILLAS	0368	4/23/2012	0.50	6.00	3.00
MERRITT A PERRY	1622	5/4/2012	2.50	6.00	15.00
	1622	5/9/2012	1.00	6.00	6.00
	1622	5/10/2012	1.00	6.00	6.00
	1622	5/11/2012	1.00	6.00	6.00
	1622	5/16/2012	0.50	6.00	3.00
	1622	5/17/2012	0.50	6.00	3.00
			6.50		39.00
JOSHUA A WOLF	2348	4/23/2012	0.75	6.00	4.50

REMIT PAYMENTS TO:
DEPT LA 23922
PASADENA, CA 91185-3922

707.523.1010

FEDERAL TAX IDENTIFICATION NUMBER : **98-0425935**

Project : 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **Invoice # : 65785**

Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST

Unit Pricing

Vendor / Employee Name	*Doc Nbr*	*Date*	*Units*	*Rate*	*Amount*
Inhouse Equipment / Supplies					
JOSHUA A WOLF	2348	4/24/2012	0.75	6.00	4.50
	2348	4/25/2012	0.50	6.00	3.00
	2348	4/26/2012	0.50	6.00	3.00
	2348	4/27/2012	0.50	6.00	3.00
	2348	4/30/2012	2.00	6.00	12.00
	2348	5/2/2012	0.50	6.00	3.00
	2348	5/3/2012	0.50	6.00	3.00
	2348	5/4/2012	3.00	6.00	18.00
	2348	5/7/2012	3.00	6.00	18.00
	2348	5/8/2012	3.00	6.00	18.00
	2348	5/9/2012	1.00	6.00	6.00
	2348	5/11/2012	1.00	6.00	6.00
	2348	5/14/2012	0.25	6.00	1.50
	2348	5/15/2012	0.50	6.00	3.00
	2348	5/16/2012	0.25	6.00	1.50
			18.00		108.00
Total: Inhouse Equipment / Supplies					150.00
		Unit Pricing			***150.00***

Total Phase : 11009 -- CONSTRUCTION MANAGEMENT ASSIST **Labor : 3,187.50**
Expense : 150.00

Total Project: 1118707001 -- SANDPIPER PARK IMPROVEMENTS-ARCATA **$3,337.50**

GHD Inc. USA West Offices In:
Eureka, Inland Empire, Irvine, Sacramento, San Diego, San Francisco, San Jose, Santa Ana, Santa Rosa, CA; Portland, OR; Seattle, WA; Phoenix, AZ; Guam and Saipa

BORROWER/DEVELOPER: Resident Owned Parks, Inc.
PHONE: 916-399-4993
PROJECT: Sandpiper Mobile Home Park
115 G Street
CONTRACTOR: Sundberg

LOAN $:
CITY STAFF: Kelli Spiers

INSPECTOR: Jeane Peffley-HCD
INSPECTOR PHONE: 707-272-7988 jpeffley@hcd.ca.g
RETENTION %: 10.00%

LINE #	DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT TO COST	OWNER PAID CREDITS	TOTAL PAID TO DATE	PERCENT REQUESTED	PERCENT COMPLETE	COMPLETED TO DATE	REMAINING BALANCE	DRAW 1	DRAW 2	DRAW 3	DRAW 4	DRAW 5
1	Moblization & Demobilization (bonding)	16,300.00	26,160.00		8,639.00	20.35%	53.00%	22,503.80	**33,821.00**	8,639.00				
2	Traffic Contol & Construction Area Signs	3,825.00			2,868.75	75.00%	75.00%	2,868.75	**956.25**		1,912.50		956.25	
3	Verify Existing Utility Locations	2,000.00			2,000.00	100.00%	100.00%	2,000.00	**0.00**		2,000.00			
4	Clearing, Grubbing & Demolition	21,000.00			21,000.00	100.00%	100.00%	21,000.00	**0.00**		21,000.00			
5	Temporary Shoring and Trench Safety	102.00			102.00	100.00%	100.00%	102.00	**0.00**		102.00			
6	Erosion & Sediment Control	4,300.00			3,225.00	75.00%	75.00%	3,225.00	**1,075.00**		2,150.00		1,075.00	
7	Earthwork	26,665.00	2,916.00		22,665.25	76.62%	85.00%	25,143.85	**6,915.75**		13,332.50		9,332.75	
8	Water Facilites	21,000.00	142.00		18,900.00	89.40%	90.00%	19,027.80	**2,242.00**		18,900.00			
9	Sewer Facilities	24,500.00	645.00		22,050.00	87.69%	90.00%	22,630.50	**3,095.00**		22,050.00			
10	Drainage Improvements	36,935.00	6,765.00		20,512.57	46.94%	45.00%	19,665.00	**23,187.43**		18,379.35	2,133.22		
11	Gas Facilities	15,300.00			13,770.00	90.00%	90.00%	13,770.00	**1,530.00**		1,530.00	12,240.00		
12	Electrical Facilities	70,763.00	12,294.00		49,534.10	59.64%	70.00%	58,139.90	**33,522.90**		7,076.30	42,457.80		
13	Cable TV Facilites	3,063.00			2,756.70	90.00%	90.00%	2,756.70	**306.30**		306.30	2,450.40		
14	Telephone Facilities	6,809.00			6,128.10	90.00%	90.00%	6,128.10	**680.90**		680.90	5,447.20		
15	Site Lighting Facilities	15,734.00			7,867.00	50.00%	50.00%	7,867.00	**7,867.00**		1,573.40	6,293.60		
16	Concrete Curbs, Gutters, Sidewalks, Curb Ramps, Driveways and Utility Islands	125,500.00	2,900.00		87,850.00	68.42%	70.00%	89,880.00	**40,550.00**		31,375.00	56,475.00		
17	Asphalt Concrete Roads, Driveways and Parking Areas	40,000.00	18,570.00		10,000.00	17.07%	25.00%	14,642.50	**48,570.00**			10,000.00		
18	Pavement Markings and Stripping, Traffic Sign and Concrete Wheel Stop	1,500.00			0.00				**1,500.00**					
19	Fencing (Wood Fence)	1,400.00			0.00				**1,400.00**					
20	Grass Pavers	2,311.00			0.00				**2,311.00**					
					0.00				**0.00**					
	Change Orders												9,953.00	
	TOTAL DISBURSEMENT	[redacted]								8,639.00	142,368.25	137,497.22	21,317.00	#REF!
							100.00%	0.00	**0.00**					
	Less Retention				30,982.16		100.00%	0.00	**(30,982.16)**		(15,100.73)	(13,749.73)	(2,131.70)	
	LOAN TOTALS				299,868.47	58.87%	65.05%	331,350.90	**209,530.53**	8,639.00	127,267.52	123,747.49	19,185.30	0.00

ORIGINAL CONSTRUCTION COST: 439,007.00
ADJUSTED CONSTRUCTION COST: [redacted]509,399.00
ACQUITION COST:
ENGINERING COST

PRINCIPAL BALANCE OF LOAN: 278,839.31

AMOUNT OF ANY CONSTRUCTION LIENS OR HOLDBACKS:

ADD'L CASH REQUIRED FROM BORROWER: 0.00 If this figure is negative, Borrower has excess loan funds available.

NET RETENTION HELD: #REF!

ITI AVAILABLE CREDIT: #REF!

FOOTNOTES:

$? 0 Space
ADA & Walkway Not bid yet
71,470

Bal owing 209,530.53
+ 299,164.79 Persons
508,695.32

1,266,862
1,470,000
$ 2,736,862 Loan

$ 2,365,245 Req Agree
dsf
(371,617)

Revised 4/15/09

BORROWER/DEVELOPER: Resident Owned Parks, Inc.
PHONE: 916-399-4993
PROJECT: Sandpiper Mobile Home Park
115 G Street
CONTRACTOR: Piersons

LOAN $:
CITY STAFF: Kelli Spiers

INSPECTOR: City
INSPECTOR PHONE:
RETENTION %: 10.00%

LINE #	DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT TO COST	OWNER PAID CREDITS	TOTAL PAID TO DATE	PERCENT REQUESTED	PERCENT COMPLETE	COMPLETED TO DATE	REMAINING BALANCE	DRAW 1	DRAW 2	DRAW 3	DRAW 4	DRAW 5	DRAW 6	DRAW 7	DRAW 8	DRAW 9	DRAW 10	DRAW 11	DRAW 12	DRAW 13	DRAW 14	DRAW 15	DRAW 16	DRAW 17
1	General Conditions	15,470.00			340.34	2.20%			15,129.66	340.34																
2	Performance Bond	4,841.00			4,841.00	100.00%			0.00	4,841.00																
3	Site Work	19,046.00			0.00				19,046.00																	
4	Site Water	2,289.80			0.00				2,289.80																	
5	Foundation Cast-In-Place	21,592.00			0.00				21,592.00																	
6	Gutters and Down Spouts	1,014.00			0.00				1,014.00																	
7	Rough Framing Labor	13,867.00			0.00				13,867.00																	
8	Framing Materials	17,315.00			0.00				17,315.00																	
9	Truss	2,007.00			0.00				2,007.00																	
10	Siding and Exterior Trim	16,922.00			0.00				16,922.00																	
11	Finish Carpentry	3,536.00			0.00				3,536.00																	
12	Cabinetry	13,159.00			0.00				13,159.00																	
13	Insulation	3,818.00			0.00				3,818.00																	
14	Roofing	4,307.00			0.00				4,307.00																	
15	Doors	7,076.20			0.00				7,076.20																	
16	Store Front Systems	2,808.00			0.00				2,808.00																	
17	Windows	4,303.00			0.00				4,303.00																	
18	Skylights/Solar Tube	1,573.00			0.00				1,573.00																	
19	Sheetrock/Gypsum Board	9,951.00			0.00				9,951.00																	
20	Flooring	10,688.00			0.00				10,688.00																	
21	Painting	10,165.00			0.00				10,165.00																	
22	Bath Accessories	2,001.00			0.00				2,001.00																	
23	Appliance Allowance	3,210.00			0.00				3,210.00																	
24	Plumbing	17,470.00			0.00				17,470.00																	
25	Fire Sprinkler	8,725.00			0.00				8,725.00																	
26	HVAC	5,639.00			0.00				5,639.00																	
27	Electrical	11,235.00			0.00				11,235.00																	
					0.00				0.00																	
					0.00				0.00																	
					0.00				0.00																	
					0.00				0.00																	
					0.00				0.00																	
					0.00				0.00																	
					0.00				0.00																	
					0.00				0.00																	
	LESS RETENTION HELD				0.00																					
	ADD RETENTION RELEASED				(518.13)					(518.13)																
	TOTAL DISBURSEMENT	[redacted]								4,663.21	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
								0.00	0.00																	
	City of Arcata				0.00			0.00	0.00																	
	LOAN TOTALS	[redacted]			4,663.21	#REF!	0.00%	0.00	#REF!	4,663.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

ORIGINAL CONSTRUCTION COST: [redacted]
ADJUSTED CONSTRUCTION COST: #REF!
ACQUITION COST:
ENGINERING COST

City + order? B

ADD'L CASH REQUIRED FROM BORROWER: 0.00 If this figure is negative, Borrower has excess loan funds available.

PRINCIPAL BALANCE OF LOAN: 4,663.21
AMOUNT OF ANY CONSTRUCTION LIENS OR HOLDBACKS:
NET RETENTION HELD: 518.13
ITI AVAILABLE CREDIT: #REF!

FOOTNOTES:

loan owing # 299,164.79

Revised 4/15/09

MANUFACTURED HOME COST BREAKDOWN

BORROWER/DEVELOPER: Resident Owned Parks, Inc.
PHONE: 916-399-4993
PROJECT: Sandpiper Mobile Home Park
115 G Street

LOAN $:
CITY STAFF: Kelli Spiers

LINE #	DESCRIPTION	ORIGINAL BUDGET	TOTAL PAID TO DATE	PERCENT REQUESTED	PERCENT COMPLETE	COMPLETED TO DATE	REMAINING BALANCE	DRAW 1	DRAW 2	DRAW 3	DRAW 4	DRAW 5	DRAW 6	DRAW 7	DRAW 8	DRAW 10	DRAW 11	DRAW 12	DRAW 13	DRAW 14	DRAW 15	DRAW 16	DRAW 17	DRAW 18
1	Manufactured Home including porch	704,416.00	704,416.00	100.00%		100.00	0.00	704,416.00																
2	Setup including skirting materials, steps, final repair	83,200.00	83,200.00	100.00%			0.00	83,200.00																
3	Foundation System including skirting install, tie down,	56,000.00	58,750.00	104.91%			(2,750.00)	56,000.00	2,750.00															
4	Rain Gutters	8,000.00	8,000.00	100.00%			0.00	8,000.00																
5	Freight from factory to park	48,000.00	52,800.00	110.00%			(4,800.00)	48,000.00	4,800.00															
6	Dealer Tax	0.00	0.00				0.00																	
7	Escrow, including HCD registration	0.00	0.00				0.00																	
8	Additional HCD Foundation Fee		3,136.00	100.00%			(3,136.00)		3,136.00															
			0.00				0.00																	
			0.00				0.00																	
			0.00				0.00																	
			0.00				0.00																	
			0.00				0.00																	
			0.00				0.00																	
	ADD RETENTION RELEASED		0.00																					
	TOTAL DISBURSEMENT	[redacted]						899,616.00	10,686.00	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
	City Housing Fund				100.00%	#REF!	#REF!																	
	City of Arcata	[redacted]	0.00		100.00%	#REF!	#REF!																	
	LOAN TOTALS		#REF!	#REF!	0.01%	100.00	(10,686.00)	899,616.00	10,686.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

ORIGINAL CONSTRUCTION COST: 899,616.00
ADJUSTED CONSTRUCTION COST: 899,616.00
ACQUITION COST:
ENGINERING COST

PRINCIPAL BALANCE OF LOAN: 910,302.00

AMOUNT OF ANY CONSTRUCTION LIENS OR HOLDBACKS:

ADD'L CASH REQUIRED FROM BORROWER: #REF!

NET RETENTION HELD: #REF!

ITI AVAILABLE CREDIT: #REF!

FOOTNOTES:

Revised 4/15/09

INVOICES PAID OUTSIDE OF CONSTRUCTION CONTRACTS

BORROWER/DEVELOPER: Resident Owned Parks, Inc.
PHONE: 916-399-4993
PROJECT: Sandpiper Mobile Home Park
115 G Street

LOAN $:
CITY STAFF: Kelli Spiers

RETENTION %: 10.00%

expended

	DESCRIPTION	Regulatory Agreement	Invoices	OWNER PAID CREDITS	TOTAL PAID TO DATE	PERCENT REQUESTED	PERCENT COMPLETE	COMPLETED TO DATE	REMAINING BALANCE
1	Site Work Permits				0.00				0.00
2	Triplex Permits				0.00				7,871.56
3	HCD Permits				0.00				0.00
4	Site Work Design		575.85		0.00				575.85
5	Triplex Design				0.00				0.00
6	Site Work Engineering				0.00				0.00
7	Triplex Engineering				0.00				0.00
8	Title Company		2,024.00		0.00				2,024.00
9	PreConstruction Deficit		102,181.00		0.00				102,181.00
10	Post Construction Deficit		26,718.00		0.00				26,718.00
11	Site Work Survey				0.00				0.00
12	Triplex Survey				0.00				0.00
13	Construction Management, Bid Assist, + more				0.00				0.00
14	Soil Testing				0.00				0.00
15	HCD Inspection, Plan Check, Constr Fee		7,236.00		0.00				7,236.00
16	Atkins		5,049.08		0.00				5,049.08
17	Audit		2,000.00		0.00				2,000.00
	Dev Fee		24,500.00		0.00				24,500.00
	Clark		1,200.00		0.00				1,200.00
00	Marketing		320.21		0.00				320.21
	GHD		105,721.42		0.00				105,721.42
	MISC		30,364.50		0.00				30,364.50
	LACO		948.00		0.00				948.00
	Relocation		1,023.40		0.00				1,023.40
	PG&E				0.00				25,341.62
	Energy				0.00				0.00
	LESS RETENTION HELD				0.00				
	ADD RETENTION RELEASED								
	TOTAL DISBURSEMENT								343,074.64
								0.00	0.00
	City of Arcata				0.00			0.00	0.00
	LOAN TOTALS				0.00	0.00%	0.00%	0.00	#REF!

ORIGINAL CONSTRUCTION COST:
ADJUSTED CONSTRUCTION COST: #REF!
ACQUITION COST:
ENGINERING COST

ADD'L CASH REQUIRED FROM BORROWER: 0.00 If this figure is negative, Borrower has excess loan funds available.

PRINCIPAL BALANCE OF LOAN: 0.00

AMOUNT OF ANY CONSTRUCTION LIENS OR HOLDBACKS:

NET RETENTION HELD: 0.00

ITI AVAILABLE CREDIT: #REF!

2	9/13/12	City Permit-triplex	
10	6/23/10	Deficit	7,324.00
10	6/23/10	Deficit	5,260.00
10	7/27/10	Deficit	5,460.00
10	8/24/10	Deficit	5,324.00
10	9/30/10	Deficit	3,943.00
10	11/23/10	Deficit	3,929.00
10	12/20/10	Deficit	3,912.00
10	2/8/11	Deficit	3,777.00

509,399
233,828
~~899,616~~ 910,302
343,074
~~1,445,417~~ 1,196,603

Revised 4/15/09

CITY OF ARCATA ▪ 736 "F" ST, ARCATA, CA 95521

COMMUNITY DEVELOPMENT DEPARTMENT ▪ (707) 822-5955

RECEIVED
OCT 09 2012
CITY OF ARCATA
PUBLIC WORKS DEPT.

HOME OCCUPATION AFFIDAVIT

Home Business Owner - Please Complete the Following Affidavit and Return to City of Arcata, Community Development Department.

I/we do hereby attest that I/we have read and understand the attached City of Arcata Land Use Code Section 9.42.090 Home Occupation standards and requirements. I/we agree to operate my/our business in compliance with said standards and requirements.

Furthermore, I/we agree to pay for all City costs incurred in the enforcement of these provisions, including attorneys' fees, if I/we are subsequently found to be operating a business in violation of the Arcata Municipal Code or other City ordinance.

I/we understand that if I/we do not feel my/our business can operate in compliance with said standards and requirements, I/we may apply for a Minor Use Permit, per Section 9.42.090 Home Occupation of the City of Arcata Land Use Code.

I/we hereby attest: 10/9/12 (Date) — Signature of Business Owner

Humboldt Food Scapes — Legal Name of Business

Gregory DiBenedetto — Print Name of Business Owner

Business Location (street address): 3946 Lk. Wood Court, Arcata

Contact (phone and email): 707-499-2557 gregdib@yahoo.com

Specific Description of Business:

Landscape Design Consultant - office only

Note: Businesses shall comply with applicable City, County and State regulations for their business. Agency consultation prior to commencing business operations is recommended.

-City Use Only-

Assessor Parcel Number: _____ Zoning: _____

Business License No.: _____ Date Fee Paid: _____

884-12-760.30.0	Multifamily Program			$200,000.00
2/28	Sandpiper reserves		$ 14,430.00	$185,570.00
3/5	JE to HOME 259.14-840.00.0		$ (14,430.00)	$200,000.00
7/16	Arcata Mobile Land sale		$ 345,700.00	($145,700.00)
				($145,700.00)
				($145,700.00)
				($145,700.00)
				($145,700.00)
				($145,700.00)

2006/2007

Project Summary

Account NO.	Project Name	Budgeted	Funding Type	Admin	Revolving	Non Revolving
259-14-840.00.0	Sandpiper Mobile Home Park	$ 279,000.00	ED or HR			
3/1/2007	Escorw land sale #5003463 Fidelity	$ 247,100 *			$ 247,100	
3/5/2007	JE from Agency 884.12-760.30.0	$ 14,430 *			$ 14,430	
3/6/2007	Returned cash from escrow	$ (9,641) *			$ (9,641)	
3/5/2007	Sandpiper utility deposit assistance	$ 900 *			$ 900.00	
4/1/2009	JE rehab expenses from Agency	$ 26,211.02 *			$ 26,211.02	
		$ 279,000.00		$ -	$ 279,000.00	$ -

Nothing in Acctng file except for 14,430

Reserves funded in escrow 3/1/07

884-12-760.11.0	House Rehabilitation			$30,000.00
11/30/05	RCAA - McDonald Final	9/30/2005	$ 5,428.55	$24,571.45
8/7/07	ROP- Arcata Water and Sewer		$ 1,954.00	$22,617.45
8/22/07	ROP- Sandpiper Needs assessment		$ 2,025.00	$20,592.45
9/12/07	ROP-Sandpiper survey retainer	7	$ 1,000.00	$19,592.45
11/28/07	ROP- Arcata title reimbursement		$ 955.00	$18,637.45
11/29/07	ROP- Sandpiper Points West		$ 5,894.00	$12,743.45
12/5/07	ROP- Arcata drainage study	10	$ 987.00	$11,756.45
3/19/08	ROP - Sandpiper-Title company	19	$ 1,080.00	$10,676.45
				$10,676.45
				$10,676.45
				$30,000.00
				$30,000.00
				$30,000.00
				$30,000.00
				$30,000.00
				$30,000.00
				$10,676.45
884-12-760.30.0	Multifamily Program			$200,000.00
2/28	Sandpiper reserves		$ 14,430.00	$185,570.00
3/5	JE to HOME 259.14-840.00.0		$ (14,430.00)	$200,000.00
7/16	Arcata Mobile Land sale		$ 345,700.00	($145,700.00)
10/23	JE to CDBG PI for AMHP		$ (10,592.87)	($135,107.13)
				($135,107.13)

2007/2008

deficit 4,453 relocation 17.

49K

951,782.33 Adv. Bal Remain 949,856.57

884.12.760.11 884.12.760.30 259-14-840.00

		LOAN 1 TOTAL $66511 REHAB 59,641	DEV FEE 4,500	Replacement Reserve 2,370	charge to loan 1 66,511	Balance Loan 1	$ 865,932.00 Charge to Loan 2	Balance loan 2
	utility deposit	$ 900.00	259 884		$ 900.00	58,741.00		
8/22/07	ROP- Sandpiper Needs assessment	$ 2,025.00			$ 2,025.00	56,716.00		
9/12/07	ROP-Sandpiper survey retainer	$ 1,000.00		10,899	$ 1,000.00	55,716.00		
11/29/07	ROP- Sandpiper Points West	$ 5,894.00			$ 5,894.00	49,822.00		
3/19/08	ROP - Sandpiper-Title company	$ 1,080.00			$ 1,080.00	48,742.00		
12/3/2008	ROP - Sandpiper Atkins	$ 665.00			$ 665.00	48,077.00		
12/29/2008	ROP - Sandpiper Winzler and Kelly	$ 3,962.00			$ 3,962.00	44,115.00		
1/14/2009	ROP-Sandpiper Kemp	$ 500.00			$ 500.00	43,615.00		
2/4/2009	ROP - Sandpiper	$ 7,892.50			$ 7,892.50	35,722.50		
2/9/2009	ROP - Sandpiper	$ 166.25			$ 166.25	35,556.25		
3/3/2009	ROP - Sandpiper	$ 5,101.50			$ 5,101.50	30,454.75		
3/18/2009	ROP- Sandpiper	$ 196.00			$ 196.00	30,258.75		
5/26/2009	ROP - Sandpiper Winzler and Kelly	$ 10,725.50			$ 10,725.50	19,533.25		
6/16	ROP - Sandpiper Atkins	$ 239.18			$ 239.18	19,294.07		
6/16	ROP - Sandpiper Winzler and Kelly	$ 310.50			$ 310.50	18,983.57		
	ROP - Sandpiper	$ 261.00			$ 261.00	18,722.57		
	ROP - Sandpiper	$ 285.00			$ 285.00	18,437.57		
	JE - ROP Sandpiper Design Review	$ 575.85			$ 575.85	17,861.72		
	ROP - Sandpiper	$ 1,776.25			$ 1,776.25	16,085.47		
	ROP-Sandpiper Winzler & Kelly	$ 6,109.00			$ 6,109.00	9,976.47		
	ROP-Sandpiper Winzler & Kelly	$ 325.00			$ 325.00	9,651.47		
	ROP-Sandpiper Winzler & Kelly	$ 593.50			$ 593.50	9,057.97		
	ROP-Sandpiper Winzer & Kelly	$ 414.00			$ 414.00	8,643.97		
4/13/2010	ROP-Sandpiper Winzler & Kelly	$ 989.00			$ 989.00	7,654.97	865,932.00	new loan
6/1/2010	ROP-Sandpiper Winzler & Kelly	$ 18,067.25		$ 2,370.00	10,024.97	(10,412.28)	8,042.28	$ 857,889.72
7/9/2010	ROP Dev Fee	$ 4,500.00	$ 4,500.00		4,500.00			$ 857,889.72
				TOTAL	66,511.00			$ 857,889.72
				BALANCE ON LOAN 1	-			$ 857,889.72
								$ 857,889.72
6/23/2010	ROP-Sandpiper						7,324	$ 850,565.72
6/23/2010	ROP-Sandpiper						5,260	$ 845,305.72
7/27/2010	ROP-Sandpiper						193.00	$ DUP? 845,112.72
7/27/2010	ROP-Sandpiper						1,574.00	$ 843,538.72
7/27/10	ROP-Sandpiper						5,460.00	$ 838,078.72
8/24/2010	ROP-Sandpiper						5,324.00	$ 832,754.72
9/30/10	ROP-Sandpiper						3,943.00	$ 828,811.72
10/19/10	ROP-Sandpiper						1,023.40	$ 827,788.32
10/19/10	ROP-Sandpiper						196.00	$ 827,592.32
10/19/10	ROP-Sandpiper						1,100.00	$ 826,492.32
10/19/10	ROP-Sandpiper						4,661.75	$ 821,830.57
10/19/10	ROP-Sandpiper						965.25	$ 820,865.32
10/19/10	ROP-Sandpiper						4,228.00	$ 816,636.32
11/9/10	ROP-Sandpiper						358.50	$ 816,277.82
11/9/10	ROP-Sandpiper						1,024.00	$ 815,253.82
11/23/10	ROP-Sandpiper						3,929.00	$ 811,324.82
12/20/10	ROP-Sandpiper						10,299.06	$ 801,025.76
12/20/10	ROP-Sandpiper						3,912.00	$ 797,113.76
12/20/10	ROP-Sandpiper						5,158.50	$ 791,955.26
1/11/11	Fidelity Title-ROP Sandpiper						820.00	$ 791,135.26
1/18/11	ROP-Sandpiper						378.00	$ 790,757.26
1/25/2011	ROP-Sandpiper						$ 189.00	$ 790,568.26
2/8/2011	ROP-Sandpiper						3,777.00	$ 786,791.26
2/15/2011	ROP-Sandpiper						94.50	$ 786,696.76
2/22/2011	ROP-Sandpiper						5,363.00	$ 781,333.76
3/22/2011	ROP-Sandpiper						3,615.75	$ 777,718.01
3/22/2011	ROP-Sandpiper						4,453.00	$ 773,265.01
4/20/2011	ROP-Sandpiper						295.00	$ 772,970.01
4/20/2011	ROP-Sandpiper						20,000.00	$ 752,970.01
4/20/2011	ROP-Sandpiper						4,453.00	$ 748,517.01

ROP house Accounting

49,293.97

5/17/2011	ROP-Sandpiper
5/17/2011	ROP-Sandpiper
10/2/2010	ROP-Sandpiper
5/24/2011	ROP-Sandpiper
5/24/2011	ROP-Sandpiper
6/21/2011	ROP-Sandpiper
6/21/2011	ROP-Sandpiper
9/2/2011	ROP-Deficit
8/30/2011	ROP-Deficit
8/30/2011	ROP-P G & E
8/30/2011	ROP-W & K Revise Easement Plat Map
8/30/11	ROP-W&K Revise Specs/Plans
8/30/2011	ROP-Richard Dills-Triplex Eng/Design
9/20/11	ROP-Deficit
9/26/11	ROP-W&K Revise Easement Plat Map
9/27/11	County Recorder-ROP Deed Restriction
10/24/11	ROP-Deficit
11/22/11	ROP-Deficit
11/7/11	ROP-W&K Stormwater Runoff Plan
9/2/11	ROP-Abbay Tech Services-Triplex Energy Report
12/19/11	ROP-Deficit
1/20/12	ROP-Deficit
2/6/12	ROP-GHD Storm Runoff Plan
2/21/12	ROP-Deficit
2/28/12	ROP-Rehg Landscape
3/5/12	ROP-GHD Invoice-Design Review
3/12/12	ROP-GHD-nat.gas plan/specs/encr permit
4/2/12	ROP-Deficit
4/9/2012	ROP-Sundberg-Bonding
4/23/2012	ROP-Deficit
5/15/2012	ROP-GHD-Constr Mgmt NOC

$2

203.00	$	748,314.01
10.00	$	748,304.01
193.00	$	748,111.01
11,844.02	$	736,266.99
4,453.00	$	731,813.99
409.50	$	731,404.49
4,453.00	$	726,951.49
4,453.00	$	722,498.49
4,453.00	$	718,045.49
24,441.62	$	693,603.87
746.22	$	692,857.65
795.00	$	692,062.65
2,700.00	$	689,362.65
4,453.00	$	684,909.65
1,380.00	$	683,529.65
68.00	$	683,461.65
4,453.00	$	679,008.65
4,453.00	$	674,555.65
589.50	$	673,966.15
575.00	$	673,391.15
4,453.00	$	668,938.15
4,453.00	$	664,485.15
32.75	$	664,452.40
4,453.00	$	659,999.40
800.00	$	659,199.40
131.00	$	659,068.40
327.50	$	658,740.90
4,453.00	$	654,287.90
8,639.00	$	645,648.90
4,453.00	$	641,195.90
534.75	$	640,661.15

50,121.80
49,293.93
+
99,415.73

		LOAN 1 TOTAL $66511					$	2,418,462.00
		REHAB	DEV FEE	placement Rese	charges	Bal Loan 1	Amend Loan Charges	Amend Loan Balance
		59,641	4,500	2,370	66,511			
	utility deposit	$ 900.00			$ 900.00	58,741.00		
8/22/07	ROP- Sandpiper Needs assessment	$ 2,025.00			$ 2,025.00	56,716.00		
9/12/07	ROP-Sandpiper survey retainer	$ 1,000.00			$ 1,000.00	55,716.00		
11/29/07	ROP- Sandpiper Points West	$ 5,894.00			$ 5,894.00	49,822.00		
3/19/08	ROP - Sandpiper-Title company	$ 1,080.00			$ 1,080.00	48,742.00		
12/3/2008	ROP - Sandpiper Atkins	$ 665.00			$ 665.00	48,077.00		
12/29/2008	ROP - Sandpiper Winzler and Kelly	$ 3,962.00			$ 3,962.00	44,115.00		
1/14/2009	ROP-Sandpiper Kemp	$ 500.00			$ 500.00	43,615.00		
2/4/2009	ROP - Sandpiper	$ 7,892.50			$ 7,892.50	35,722.50		
2/9/2009	ROP - Sandpiper	$ 166.25			$ 166.25	35,556.25		
3/3/2009	ROP - Sandpiper	$ 5,101.50			$ 5,101.50	30,454.75		
3/18/2009	ROP- Sandpiper	$ 196.00			$ 196.00	30,258.75		
5/26/2009	ROP - Sandpiper Winzler and Kelly	$ 10,725.50			$ 10,725.50	19,533.25		
6/16	ROP - Sandpiper Atkins	$ 239.18			$ 239.18	19,294.07		
6/16	ROP - Sandpiper Winzler and Kelly	$ 310.50			$ 310.50	18,983.57		
	ROP - Sandpiper	$ 261.00			$ 261.00	18,722.57		
	ROP - Sandpiper	$ 285.00			$ 285.00	18,437.57		
	JE - ROP Sandpiper Design Review	$ 575.85			$ 575.85	17,861.72		
	ROP - Sandpiper	$ 1,776.25			$ 1,776.25	16,085.47		
	ROP-Sandpiper Winzler & Kelly	$ 6,109.00			$ 6,109.00	9,976.47		
	ROP-Sandpiper Winzler & Kelly	$ 325.00			$ 325.00	9,651.47		
	ROP-Sandpiper Winzler & Kelly	$ 593.50			$ 593.50	9,057.97		
	ROP-Sandpiper Winzer & Kelly	$ 414.00			$ 414.00	8,643.97		
4/13/2010	ROP-Sandpiper Winzler & Kelly	$ 989.00			$ 989.00	7,654.97	865,932.00	new loan
6/1/2010	ROP-Sandpiper Winzler & Kelly	$ 18,067.25		$ 2,370.00	10,024.97	(10,412.28)	8,042.28	$ 2,410,419.72
7/9/2010	ROP	$ 4,500.00	$ 4,500.00		4,500.00			$ 2,410,419.72
				TOTAL	66,511.00			$ 2,410,419.72
				BALANCE ON LOAN 1	-			$ 2,410,419.72
								$ 2,410,419.72
6/23/2010	ROP-Sandpiper						7324	$ 2,403,095.72
6/23/2010	ROP-Sandpiper						5260	$ 2,397,835.72
7/27/2010	ROP-Sandpiper						193.00	$ 2,397,642.72
7/27/2010	ROP-Sandpiper						1,574.00	$ 2,396,068.72
7/27/10	ROP-Sandpiper						5,460.00	$ 2,390,608.72
8/24/2010	ROP-Sandpiper						5,324.00	$ 2,385,284.72
9/30/10	ROP-Sandpiper						3,943.00	$ 2,381,341.72
10/19/10	ROP-Sandpiper						1,023.40	$ 2,380,318.32
10/19/10	ROP-Sandpiper						196.00	$ 2,380,122.32
10/19/10	ROP-Sandpiper						1,100.00	$ 2,379,022.32
10/19/10	ROP-Sandpiper						4,661.75	$ 2,374,360.57
10/19/10	ROP-Sandpiper						965.25	$ 2,373,395.32
10/19/10	ROP-Sandpiper						4,229.00	$ 2,369,166.32
11/9/10	ROP-Sandpiper						358.50	$ 2,368,807.82
11/9/10	ROP-Sandpiper						1,024.00	$ 2,367,783.82
11/23/10	ROP-Sandpiper						3,929.00	$ 2,363,854.82
12/20/10	ROP-Sandpiper						10,299.06	$ 2,353,555.76
12/20/10	ROP-Sandpiper						3,912.00	$ 2,349,643.76
12/20/10	ROP-Sandpiper						5,158.50	$ 2,344,485.26
1/11/11	Fidelity Title-ROP Sandpiper						820.00	$ 2,343,665.26
1/18/11	ROP-Sandpiper						378.00	$ 2,343,287.26
1/25/2011	ROP-Sandpiper						$ 189.00	$ 2,343,098.26
2/8/2011	ROP-Sandpiper						3,777.00	$ 2,339,321.26
2/15/2011	ROP-Sandpiper						94.50	$ 2,339,226.76
2/22/2011	ROP-Sandpiper						5,363.00	$ 2,333,863.76
3/22/2011	ROP-Sandpiper						3,615.75	$ 2,330,248.01
3/22/2011	ROP-Sandpiper						4,453.00	$ 2,325,795.01
4/20/2011	ROP-Sandpiper						295.00	$ 2,325,500.01
4/20/2011	ROP-Sandpiper						20,000.00	$ 2,305,500.01
4/20/2011	ROP-Sandpiper						4,453.00	$ 2,301,047.01
5/17/2011	ROP-Sandpiper						203.00	$ 2,300,844.01
5/17/2011	ROP-Sandpiper						10.00	$ 2,300,834.01
10/2/2010	ROP-Sandpiper						193.00	$ 2,300,641.01
5/24/2011	ROP-Sandpiper						11,844.02	$ 2,288,796.99
5/24/2011	ROP-Sandpiper						4,453.00	$ 2,284,343.99
6/21/2011	ROP-Sandpiper						409.50	$ 2,283,934.49
6/21/2011	ROP-Sandpiper						4,453.00	$ 2,279,481.49
9/2/2011	ROP-Deficit						4,453.00	$ 2,275,028.49
8/30/2011	ROP-Deficit						4,453.00	$ 2,270,575.49
8/30/2011	ROP-P G & E						24,441.62	$ 2,246,133.87
8/30/2011	ROP-W & K Revise Easement Plat Map						746.22	$ 2,245,387.65
8/30/11	ROP-W&K Revise Specs/Plans						795.00	$ 2,244,592.65
8/30/2011	ROP-Richard Dills-Triplex Eng/Design						2,700.00	$ 2,241,892.65
9/20/11	ROP-Deficit						4,453.00	$ 2,237,439.65

9/26/11	ROP-W&K Revise Easement Plat Map	1,380.00	$	2,236,059.65
9/27/11	County Recorder-ROP Deed Restriction	68.00	$	2,235,991.65
10/24/11	ROP-Deficit	4,453.00	$	2,231,538.65
11/22/11	ROP-Deficit	4,453.00	$	2,227,085.65
11/7/11	ROP-W&K Stormwater Runoff Plan	589.50	$	2,226,496.15
9/2/11	ROP-Abbay Tech Services-Triplex Energy Report	575.00	$	2,225,921.15
12/19/11	ROP-Deficit	4,453.00	$	2,221,468.15
1/23/12	ROP-Deficit	4,453.00	$	2,217,015.15
2/6/12	ROP-GHD Storm Runoff Plan	32.75	$	2,216,982.40
2/21/12	ROP-Deficit	4,453.00	$	2,212,529.40
2/28/12	ROP-Rehg Landscape	800.00	$	2,211,729.40
3/5/12	ROP-GHD Invoice-Design Review	131.00	$	2,211,598.40
3/12/12	ROP-GHD-nat.gas plan/specs/encr permit	327.50	$	2,211,270.90
4/2/12	ROP-Deficit	4,453.00	$	2,206,817.90
4/9/2012	ROP-Sundberg-Bonding	8,639.00	$	2,198,178.90
	Note for Site Construction Date			
4/23/2012	ROP-Deficit	4,453.00	$	2,193,725.90
5/15/2012	ROP-GHD-Constr Mgmt	534.75	$	2,193,191.15
5/29/2012	ROP-Deficit	4,453.00	$	2,188,738.15
6/11/2012	ROP-GR Sundberg	127,267.53	$	2,061,470.62
6/11/2012	ROP-GHD	3,337.50	$	2,058,133.12
6/19/2012	ROP-Deficit	4,453.00	$	2,053,680.12
6/19/2012	ROP-HCD fees	2,456.00	$	2,051,224.12
6/30/2012	ROP-Loan for Rehab	899,616.00	$	1,151,608.12
6/30/2012	ROP-GRS Constr Draw	123,747.50	$	1,027,860.62
7/20/2012	Humboldt Co Recorder-D/T & Reg	56.00	$	1,027,804.62
8/14/2012	ROP-Inpsection	178.00	$	1,027,626.62
8/14/2012	ROP-GHD (Project Management)	3,554.75	$	1,024,071.87
8/14/2012	ROP-Cash Deficit (Aug)	4,453.00	$	1,019,618.87
8/14/12	ROP-GHD	2,670.50	$	1,016,948.37
8/2/2012	ROP-Sarah Atkins	1,247.60	$	1,015,700.77
8/20/12	ROP-Cash Deficit (Sept)	4,453.00	$	1,011,247.77
8/20/12	ROP-Cash Deficit (Sept)	4,453.00	$	1,006,794.77
9/17/12	ROP-Cash Deficit (Oct)	4,453.00	$	1,002,341.77
9/4/2012	ROP-GR Sundberg	19,185.30	$	983,156.47

					5,000.00	
884-12-760.30.0	MULTIFAMILY PROGRAM	884-30-12-58300	000-00-000.00	0.00	930,000.00	8th a
					930,000.00	
7/9/2010	ROP-Sandpiper	*	1497	4,500.00	925,500.00	
7/27/2010	ROP-Sandpiper	*	313	1,574.00	923,926.00	
7/27/10	ROP-Sandpiper	*	314	5,460.00	918,466.00	
8/24/2010	ROP-Sandpiper	*	321	5,324.00	913,142.00	
9/30/10	ROP-Sandpiper	*	328	3,943.00	909,199.00	
10/12/10	ROP-Arcata Mobilehome Park	*	84	63,547.64	845,651.36	
10/19/10	ROP-Sandpiper	*	312	1,023.40	844,627.96	
10/19/10	ROP-Sandpiper	*	315	196.00	844,431.96	
10/19/10	ROP-Sandpiper	*	320	1,100.00	843,331.96	
10/19/10	ROP-Sandpiper	*	323	4,661.75	838,670.21	
10/19/10	ROP-Sandpiper	*	326	965.25	837,704.96	
10/19/10	ROP-Sandpiper	*	331	4,229.00	833,475.96	
11/9/10	ROP-Sandpiper	*	335	358.50	833,117.46	
11/9/10	ROP-Sandpiper	*	334	1,024.00	832,093.46	
11/23/10	ROP-Sandpiper	*	337	3,929.00	828,164.46	
12/20/10	ROP-Sandpiper	*	340	10,299.06	817,865.40	
12/20/10	ROP-Sandpiper	*	341	3,912.00	813,953.40	
12/20/10	ROP-Sandpiper	*	339	5,158.50	808,794.90	
1/11/11	Fidelity Title-ROP Sandpiper	*	9.12E+11	820.00	807,974.90	
1/18/11	ROP-Sandpiper	*	343	378.00	807,596.90	
1/25/2011	ROP-Sandpiper	*	344	$ 189.00	807,407.90	
2/8/2011	ROP-Sandpiper	*	345	3,777.00	803,630.90	
2/15/2011	ROP-Sandpiper	*	347	94.50	803,536.40	
2/22/2011	ROP-Sandpiper	*	349	5,363.00	798,173.40	
3/11/2011	Plaza Point	*		700,000.00	98,173.40	100K
3/29/2011	ROP-Arcata Mobilehome Park			7,060.85	91,112.55	
3/22/2011	ROP-Sandpiper		353	3,615.75	87,496.80	
3/22/2011	ROP-Sandpiper		352	4,453.00	83,043.80	
4/20/2011	ROP-Sandpiper		355	295.00	82,748.80	
4/20/2011	ROP-Sandpiper		1862	20,000.00	62,748.80	
4/20/2011	ROP-Sandpiper		357	4,453.00	58,295.80	
5/17/2011	plaza point JE to 245			-100,000.00	158,295.80	
5/17/2011	ROP-Sandpiper		359	203.00	158,092.80	
5/17/2011	ROP-Sandpiper		358	10.00	158,082.80	
10/2/2010	ROP-Sandpiper		330	193.00	157,889.80	
5/24/2011	ROP-Sandpiper		362	11,844.02	146,045.78	
5/24/2011	ROP-Sandpiper		361	4,453.00	141,592.78	
6/21/2011	ROP-Sandpiper		366	409.50	141,183.28	
6/21/2011	ROP-Sandpiper		367	4,453.00	136,730.28	

2010/2011

132	7/20/2012	1	2013	$127.00	$0.00	AP	Recording fees
23	8/3/2012	2	2013	$56.00	$0.00	AP	Petty cash
173	8/23/2012	2	2013	$0.00	$127.00	AP	Void HUMB0105
182	8/24/2012	2	2013	$178.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
182	8/24/2012	2	2013	$3,554.75	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
182	8/24/2012	2	2013	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
182	8/24/2012	2	2013	$2,670.50	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
182	8/24/2012	2	2013	$1,247.60	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
234	8/31/2012	2	2013	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
77	9/14/2012	3	2013	$19,185.30	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
123	9/21/2012	3	2013	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
190	9/30/2012	3	2013	$7,871.56	$0.00	GL	Building permit fees for Sandpiper Permit 11699
40	10/5/2012	4	2013	$3,151.62	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
40	10/5/2012	4	2013	$948.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree

15	9/2/2011	3	2012	$746.22	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
162	9/23/2011	3	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
44	10/7/2011	4	2012	$1,380.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
195	10/28/2011	4	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
149	11/23/2011	5	2012	$589.50	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
12	12/2/2011	6	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
221	12/30/2011	6	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
194	1/27/2012	7	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
121	2/17/2012	8	2012	$32.75	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
11	3/2/2012	9	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
57	3/9/2012	9	2012	$800.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
150	3/23/2012	9	2012	$131.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
150	3/23/2012	9	2012	$327.50	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
35	4/5/2012	10	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
137	4/20/2012	10	2012	$8,639.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
183	4/27/2012	10	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
161	5/25/2012	11	2012	$534.75	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
99	6/15/2012	12	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
99	6/15/2012	12	2012	$127,267.53	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
99	6/15/2012	12	2012	$3,337.50	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
141	6/22/2012	12	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
258	6/30/2012	12	2012	$704,416.00	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
263	6/30/2012	12	2012	$123,747.50	$0.00	AP	Open P.O. for rehabilitation of Sandpipe
15	9/2/2011	3	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
15	9/2/2011	3	2012	$575.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
15	9/2/2011	3	2012	$4,453.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
15	9/2/2011	3	2012	$2,700.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
15	9/2/2011	3	2012	$24,441.62	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
15	9/2/2011	3	2012	$795.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
141	6/22/2012	12	2012	$2,456.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
258	6/30/2012	12	2012	$147,200.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
258	6/30/2012	12	2012	$48,000.00	$0.00	AP	Open P.O. for rehabilitation of Sandpiper Park as per loan agree
204	9/30/2011	3	2012	$68.00	$0.00	AP	Sandpiper Project
22	9/6/2012	13	2012	$483,000.00	$0.00	GL	To record Sandpiper note amendment which replaced HOME funding with City funding
22	9/6/2012	13	2012	$0.00	$351,936.87	GL	To record Sandpiper note amendment which replaced HOME funding with City funding
20	9/6/2012	13	2012	$0.00	$899,616.00	GL	To reverse accrual of liability of Sandpiper project payment in July.

884-12-760.11.0	HOUSING REHABILITATION PROGRAM	884-30-12-58300	000-00-000.00	0.00	70,000.00	
10/14/2008	ROP-AMHP Whitchurch		7471	1,058.38	68,941.62	
11/18/2008	ROP-AMHP Whitchurch		7515	3,120.00	65,821.62	
12/3/2008	ROP - Sandpiper Atkins		51RV	665.00	65,156.62	
12/29/2008	ROP - Sandpiper Winzler and Kelly		53R	3,962.00	61,194.62	
1/7/2009	ROP - AMHP Whitchurch		40	909.00	60,285.62	
1/14/2009	ROP-Sandpiper Kemp		54R	500.00	59,785.62	
2/4/2009	ROP-AMHP Whitchurch		42R	1,796.88	57,988.74	
2/4/2009	ROP - Sandpiper		59R	7,892.50	50,096.24	
2/9/2009	ROP - Sandpiper		62R	166.25	49,929.99	
2/25/2009	ROP - AMHP Whitchurch		44RA	1,588.25	48,341.74	
3/3/2009	ROP - Sandpiper		64R	5,101.50	43,240.24	
3/18/2009	ROP- Sandpiper		66R	196.00	43,044.24	
4/10/2009	JE Sandpiper expenses to HOME PI			-26,211.02	69,255.26	
5/5/2009	ROP - AMHP Whitchurch		56RA	1,425.00	67,830.26	
5/26/2009	ROP - Sandpiper Winzler and Kelly		78R	10,725.50	57,104.76	
6/2/2009	ROP - AMHP Whitchurch		58RA	992.00	56,112.76	
6/16/2009	ROP - Sandpiper Atkins		81R-SP	239.18	55,873.58	
6/16/2009	ROP - Sandpiper Winzler and Kelly		67R-SP	310.50	55,563.08	
9/1/2009	AEDC - Blansitt Ramp Grant		321	8,300.00	47,263.08	
9/8/2009	ROP - Sandpiper		89R-SP	261.00	47,002.08	
9/8/2009	ROP - AMHP Whitchurch		63	1,590.00	45,412.08	
9/15/2009	ROP - Sandpiper		92R-SP	285.00	45,127.08	
9/22/2009	JE - ROP Sandpiper Design Review			575.85		
12/10/2009	Unencumbered Balance				-104,846.19	Ne
12/10/2009	Encumbered Balance				110,134.34	
12/21/2009	ROP - Sandpiper		101R-SP	1,776.25		
3/2/2010	ROP-Sandpiper Winzler & Kelly		112R-SP	6,109.00		
3/2/2010	ROP-Sandpiper Winzler & Kelly		111R-SP	325.00		
3/16/2010	ROP-Sandpiper Winzler & Kelly		121R-SP	593.50		
3/16/2010	ROP-Sandpiper Winzer & Kelly		120R-SP	414.00		
3/30/2010	AEDC - Helen Reninger		699	7,995.00		
4/13/2010	ROP-Sandpiper Winzler & Kelly		300	989.00		
6/1/2010	ROP-Sandpiper Winzler & Kelly		305	18,067.25		
6/22/2010	City of Arcata Inspection-McDonald			209.00		
6/23/2010	ROP-Sandpiper		310	7,324.00		
6/23/2010	ROP-Sandpiper		311	5,260.00		

2008/2009

					0.00	
244-30-35-58500	MULTIFAMILY PROGRAM				312,969.52	SANDPIPER
9/2/2011	ROP-Deficit	*	368 ✓	4,453.00 ✓	308,516.52	
8/30/2011	ROP-Deficit	*	375 ✓	4,453.00 ✓	304,063.52	
8/30/2011	ROP-P G & E	*	380 ✓	e 24,441.62 ✓	279,621.90	
8/30/2011	ROP-W & K Revise Easement Plat Map	*	378 ✓	e 746.22 ✓	278,875.68	
8/30/11	ROP-W&K Revise Specs/Plans	*	372 ✓	e 795.00 ✓	278,080.68	
8/30/2011	ROP-Richard Dills-Triplex Eng/Design	*	377 ✓	e 2,700.00 ✓	275,380.68	
					275,380.68	
9/20/11	ROP-Deficit	*	381 ✓	4,453.00 ✓	270,927.68	
9/26/11	ROP-W&K Revise Easement Plat Map	*	384 ✓	e 1,380.00 ✓	269,547.68	
9/27/11	County Recorder-ROP Deed Restriction	*		68.00	269,479.68	
10/24/11	ROP-Deficit	*	387 ✓	4,453.00 ✓	265,026.68	
11/22/11	ROP-Deficit	*	392 ✓	4,453.00 ✓	260,573.68	
11/7/11	ROP-W&K Stormwater Runoff Plan	*	389 ✓	e 589.50 ✓	259,984.18	
9/2/11	ROP-Abbay Tech Services-Triplex Energy Re	*	374 ✓	e 575.00 ✓	259,409.18	
12/19/11	ROP-Deficit	*	394 ✓	4,453.00 ✓	254,956.18	
1/23/12	ROP-Deficit	*	397 ✓	4,453.00 ✓	250,503.18	
2/6/12	ROP-GHD Storm Runoff Plan	*	398 ✓	e 32.75 ✓	250,470.43	
2/21/12	ROP-Deficit	*	399 ✓	4,453.00 ✓	246,017.43	
2/28/12	ROP-Rehg Landscape	*	401 ✓	e 800.00 ✓	245,217.43	
3/5/12	ROP-GHD Invoice-Design Review	*	402 ✓	e 131.00 ✓	245,086.43	
3/12/12	ROP-GHD-nat.gas plan/specs/encr permit	*	403 ✓	e 327.50 ✓	244,758.93	
4/2/12	ROP-Deficit	*	405 ✓	4,453.00 ✓	240,305.93	
4/9/2012	ROP-Sundberg-Bonding 1st Draw	*	390 ✓	e 8,639.00 ✓	231,666.93	
4/23/2012	ROP-Deficit	*	406 ✓	4,453.00 ✓	227,213.93	
5/15/2012	ROP-GHD-Constr Mgmt		407 ✓	e 534.75 ✓	226,679.18	
					226,679.18	
					226,679.18	
					226,679.18	

5/24/12

68 diff

Expended
~~Remaining~~
86,290.34

this pg only

Deficit 44,530 + other

$ 106,634.00
+ June 4453.00
111,087

FTHB 244-30-35-58300 $335,177.68

Balance

$44,530 Refund

Engr/Plan/Land/Boun 411.760.34

TD -44,530

					0.00
244-30-35-58500	MULTIFAMILY PROGRAM				312,969.52 SANDPIPE
9/2/2011	ROP	*	368 ✓	4,453.00 ✓	308,516.52
8/30/2011	ROP	*	375 ✓	4,453.00 ✓	304,063.52
8/30/2011	ROP PG&E	*	380	24,441.62	279,621.90
8/30/2011	ROP W:K Revise Easement Plat Map	*	378	746.22	278,875.68
8/30/11	ROP W:K Revise Specs	*	372	795.00	278,080.68
8/30/2011	ROP - Richard Dills - Triplex Engr/Design	*	377	2,700.00	275,380.68
8/9/11	~~DSR~~ - Whitchurch - Above to APN	*	9420	~~14,504.25~~	260,876.43
9/20/11	ROP	*	381 ✓	4,453.00 ✓	256,423.43
9/26/11	ROP - W:K - Revise Easement Plat map	*	384	1,380.00	255,043.43
9/27/11	Humboldt County Recorder - SP Deed Restriction	*		68.00	254,975.43
10/24/11	ROP	*	387 ✓	4,453.00 ✓	250,522.43
11/22/11	ROP	*	392 ✓	4,453.00 ✓	246,069.43
11/7/11	ROP - W:K Stormwater Runoff Plan	*	389	589.50	245,479.93
9/2/11	ROP - Abbay Tech Services - Energy Report Triplex	*	374	575.00	244,904.93
12/19/11	ROP	*	394 ✓	4,453.00 ✓	240,451.93
1/23/12	ROP	*	397 ✓	4,453.00 ✓	235,998.93
2/6/12	ROP-GHD Invoice - Stormwater Runoff	*	398	32.75	235,966.18
2/21/12	ROP	*	399 ✓	4,453.00 ✓	231,513.18
2/28/12	ROP-Rehg Landscape - Design	*	401 ·	800.00	230,713.18
3/5/12	ROP-GHD Invoice - Design Review	*	402	131.00	230,582.18
3/12/12	ROP-GHD Invoice - Natur Gas Plan/Specs - Encroachment Permit	*	403	327.50	230,254.68
4/2/12	ROP	*	405 ✓	4,453.00 ✓	225,801.68
4/9/2012	ROP		390	8,639.00	217,162.68
4/23/2012	ROP		406 ✓	4,453.00 ✓	212,709.68
5/15/2012	ROP		407	534.75	212,174.93
					212,174.93
					212,174.93
					212,174.93

226,679.18

Construction Start

Now using developer fee

Set up Ledger for $~~84,500~~ 99,500 Dev. Fee for project < 19 months

1. $12,500 on site work (3)

$ 5/15/12

Used $~~100,794.59~~

*NOTE - Reductions to ledger once 1st Home is purchased by how much?

$6,290.34

$6,204.59

Sandpiper Park — 3:29 PM
Received Payments for City of Arcata {Rehab} — 06/04/2012
June 15, 2010 through June 4, 2012 — Accrual Basis

	Num	Date	Pay Meth	Amount	Unapplied Amount
Jun 15, '10 - Jun 4, 12					
	208387	05/30/2012	Check	534.75	
	208082	05/03/2012	Check	4,453.00	
	208022	04/24/2012	Check	8,639.00	
		04/12/2012	Check	4,911.50	
	207568	03/09/2012	Check	800.00	
	207504	03/02/2012	Check	4,453.00	
	207393	02/17/2012	Check	32.75	
	207143	01/27/2012	Check	4,453.00	
	206813	12/30/2011	Check	4,453.00	
	206548	12/02/2011	Check	4,453.00	
	206454	11/23/2011	Check	589.50	
	206139	10/28/2011	Check	4,453.00	
	205919	10/07/2011	Check	1,380.00	
		09/23/2011	Check	4,453.00	
	205508	09/02/2011	Check	38,163.84	
	4862.50	06/24/2011	Check	4,862.50	
	204297	06/03/2011	Check	16,297.02	
	204136	05/20/2011	Check	213.00	
	204070	05/13/2011	Check	4,453.00	
	203865	04/22/2011	Check	8,363.75	
	203264	02/25/2011	Check	5,363.00	
	203201	02/22/2011	Check	3,871.50	
	202976	01/28/2011	Check	567.00	
	202642	12/28/2010	Check	19,369.56	
	202497	12/10/2010	Check	3,929.00	
		11/23/2010	Check	1,382.50	
	202019	10/27/2010	Check	13,942.40	
	201790	10/05/2010	Check	3,943.00	
	201494	09/07/2010	Check	5,324.00	
	201033	08/03/2010	Check	5,460.00	
	200572	06/28/2010	Check	12,584.00	
Jun 15, '10 - Jun 4, 12				196,147.57	0.00

CK # 203865
− + 20,000 = 28,363.75

on laptop

#1

Sandpiper Park
Received Payments for City of Arcata {Rehab}
June 15, 2010 through May 30, 2011

8:42 AM
05/31/2012

	Num	Date	Pay Meth	Amount	Unapplied Amount
Jun 15, '10 - May 30, 11					
	204136	05/20/2011	Check	213.00	
	204070	05/13/2011	Check	4,453.00	
	203865	04/22/2011	Check	8,363.75	
	203264	02/25/2011	Check	5,363.00	
	203201	02/22/2011	Check	3,871.50	
	202976	01/28/2011	Check	567.00	
	202642	12/28/2010	Check	19,369.56	
	202497	12/10/2010	Check	3,929.00	
		11/23/2010	Check	1,382.50	
	202019	10/27/2010	Check	13,942.40	
	201790	10/05/2010	Check	3,943.00	
	201494	09/07/2010	Check	5,324.00	
	201033	08/03/2010	Check	5,460.00	
	200572	06/28/2010	Check	12,584.00	
Jun 15, '10 - May 30, 11				88,765.71	0.00

missing 820.00
20,000.00

Sandpiper Park 8:44 AM
Received Payments for City of Arcata {Rehab} 05/31/2012
March 1, 2007 through June 14, 2010

	Num	Date	Pay Meth	Amount	Unapplied Amount
Mar 1, '07 - Jun 14, 10					
	200291	06/10/2010	Check	18,067.25	
	111541	04/28/2010	Check	989.00	
	111225	04/01/2010	Check	1,007.50	
	110887	03/08/2010	Check	6,434.00	
	109071	10/26/2009	Check	285.00	
	107788	06/25/2009	Check	549.68	
	107462	06/05/2009	Check	10,725.50	
	106642	03/27/2009	Check	196.00	
	106643	03/27/2009	Check	5,101.50	
	106225	02/13/2009	Check	8,058.75	
	105862	01/26/2009	Check	500.00	
	105766	01/09/2009	Check	3,962.00	
	105487	12/12/2008	Check	665.00	
	102228	03/31/2008	Check	1,080.00	
	100916	11/30/2007	Check	5,894.00	
	100010	09/14/2007	Check	1,000.00	
Mar 1, '07 - Jun 14, 10				64,515.18	0.00

< 1995.82

Missing
900.
2025.
261.
575.85
1,776.25
4,500.00

Missing 5/26/12 current

349,428.46

#7

City of Arcata
Reserves Held for Repairs
Sandpiper Mobile Home Park

Date	Detail	Check #	Account #	Cumulative Drawdowns	244 / 884	259	Balance
03/07/07	Initial Funding				79,300.00	6,700.00	318,400.00
10/01/10	New Loan				465,462.00	400,470.00	865,932.00
	New Principal Balance				544,762.00	407,170.00	1,184,332.00
					- 79,300	- 6700	
Amount Due ROP					465,462.00	400,470.00	
Drawdowns:							
6/4/10	City of Arcata	200291	884-30-12-58300	(18,067.25)	(18,067.25)		
6/25/10	June Deficit	200572	884-30-12-58300	(25,391.25)	(7,324.00)		
6/25/10	July Deficit	200572	884-30-12-58300	(30,651.25)	(5,260.00)		
6/30/10	Developer Fee	200875	884-30-12-58300	(35,151.25)	(4,500.00)	-	
	Balance at 6/30/10				430,310.75	400,470.00	
7/30/10	August Deficit	201033	884-30-12-58300	(40,611.25)	(5,460.00)		
9/3/10	September Deficit	201494	884-30-12-58300	(45,935.25)	(5,324.00)		
10/1/10	October Deficit	201790	884-30-12-58300	(49,878.25)	(3,943.00)		
10/22/10	Multiple Invoices	202019	884-30-12-58300	(63,820.65)	(13,942.40)		
11/19/10	Invoice 334 & 335	202305	884-30-12-58300	(65,203.15)	(1,382.50)		
12/10/10	Invoice #337	202497	884-30-12-58300	(69,132.15)	(3,929.00)		
12/22/10	Multiple Invoices	202642	884-30-12-58300	(88,501.71)	(19,369.56)		
01/28/11	Invoice 343 & 344	202976	884-30-12-58300	(89,068.71)	(567.00)		
02/18/11	Invoice 345 & 347	203201	884-30-12-58300	(92,940.21)	(3,871.50)		
02/25/11	Invoice 349	203264	884-30-12-58300	(98,303.21)	(5,363.00)	-	
	Activity thru 3/9/11				(63,151.96)	-	
	Balance at 3/9/11				367,158.79	400,470.00	
04/22/11	Multiple Invoices	203865	884-30-12-58300	(126,666.96)	(28,363.75)		
05/13/11	Invoice 357	204070	884-30-12-58300	(131,119.96)	(4,453.00)		
05/20/11	Invoice 358 & 359	204136	884-30-12-58300	(131,332.96)	(213.00)		
06/03/11	Invoice 361 & 58355	204297	884-30-12-58300	(147,629.98)	(16,297.02)		
06/24/11	Invoice 366 & 367	204635	884-30-12-58300	(152,492.48)	(4,862.50)	-	
	Post Transfer Activity				(54,189.27)	-	
	Balance at 6/30/11				312,969.52	400,470.00	
7/13/2011	Invoice 368	205508	244-30-12-58300	(156,945.48)	(4,453.00)		
7/25/2011	Invoice 372	205508	244-30-12-58300	(157,740.48)	(795.00)		
8/1/2011	Invoice 374	205508	244-30-12-58300	(158,315.48)	(575.00)		
8/11/2011	Invoice 375	205508	244-30-12-58300	(162,768.48)	(4,453.00)		
8/17/2011	Invoice 377	205508	244-30-12-58300	(165,468.48)	(2,700.00)		
8/25/2011	Invoice 378	205508	244-30-12-58300	(166,214.70)	(746.22)		
8/25/2011	Invoice 380	205508	244-30-12-58300	(190,656.32)	(24,441.62)		
9/13/2011	Invoice 381	205785	244-30-12-58300	(195,109.32)	(4,453.00)		

9/13/2011	Invoice 60672	205919	244-30-12-58300	(196,489.32)	(1,380.00)	
10/20/2011	Invoice 387	206139	244-30-12-58300	(200,942.32)	(4,453.00)	
11/1/2011	Invoice 389	206454	244-30-12-58300	(201,531.82)	(589.50)	
11/1/2011	Invoice 390	208022	244-30-12-58300	(210,170.82)	(8,639.00)	
11/15/2011	Invoice 392	206548	244-30-12-58300	(214,623.82)	(4,453.00)	
12/15/2011	Invoice 394	206813	244-30-12-58300	(219,076.82)	(4,453.00)	
1/17/2012	Invoice 397	207143	244-30-12-58300	(223,529.82)	(4,453.00)	
1/31/2012	Invoice 398	207393	244-30-12-58300	(223,562.57)	(32.75)	
2/13/2012	Invoice 399	207504	244-30-12-58300	(228,015.57)	(4,453.00)	
2/21/2012	Invoice 401	207568	244-30-12-58300	(228,815.57)	(800.00)	
3/5/2012	Invoice 403	207716	244-30-12-58300	(229,143.07)	(327.50)	
3/6/2012	Invoice 402	207716	244-30-12-58300	(229,274.07)	(131.00)	
3/22/2012	Invoice 405	207877	244-30-12-58300	(233,727.07)	(4,453.00)	
4/17/2012	Invoice 406	208082	244-30-12-58300	(238,180.07)	(4,453.00)	
5/1/2012	Invoice 407	In progress	244-30-12-58300	(238,714.82)	(534.75)	-
	Activity through 5/23/12				(86,222.34)	-
	Balance of Loans at 5/23/12				226,747.18	400,470.00

Ledger 86,290.34

884-12-760.11-0	HOUSING REHABILITATION PROGRAM	884-30-12-58300	000-00-000.00	0.00	70,000.00	
10/14/2008	ROP-AMHP Whitchurch		7471	1,058.38	68,941.62	
11/18/2008	ROP-AMHP Whitchurch		7515	3,120.00	65,821.62	
12/3/2008	ROP - Sandpiper Atkins		51RV	665.00	65,156.62	
12/29/2008	ROP - Sandpiper Winzler and Kelly		53R	3,962.00	61,194.62	
1/7/2009	ROP - AMHP Whitchurch		40	909.00	60,285.62	
1/14/2009	ROP-Sandpiper Kemp		54R	500.00	59,785.62	
2/4/2009	ROP-AMHP Whitchurch		42R	1,796.88	57,988.74	
2/4/2009	ROP - Sandpiper		59R	7,892.50	50,096.24	
2/9/2009	ROP - Sandpiper		62R	166.25	49,929.99	
2/25/2009	ROP - AMHP Whitchurch		44RA	1,588.25	48,341.74	
3/3/2009	ROP - Sandpiper		64R	5,101.50	43,240.24	
3/18/2009	ROP- Sandpiper		66R	196.00	43,044.24	
4/10/2009	JE Sandpiper expenses to HOME PI			-26,211.02	69,255.26	
5/5/2009	ROP - AMHP Whitchurch		56RA	1,425.00	67,830.26	
5/26/2009	ROP - Sandpiper Winzler and Kelly		78R	10,725.50	57,104.76	
6/2/2009	ROP - AMHP Whitchurch		58RA	992.00	56,112.76	
6/16/2009	ROP - Sandpiper Atkins		81R-SP	239.18	55,873.58	
6/16/2009	ROP - Sandpiper Winzler and Kelly		67R-SP	310.50	55,563.08	
9/1/2009	AEDC - Blansitt Ramp Grant		321	8,300.00	47,263.08	
9/8/2009	ROP - Sandpiper		89R-SP	261.00	47,002.08	
9/8/2009	ROP - AMHP Whitchurch		83	1,590.00	45,412.08	
9/15/2009	ROP - Sandpiper		92R-SP	285.00	45,127.08	
9/22/2009	JE - ROP Sandpiper Design Review			575.85		
12/10/2009	Unencumbered Balance				-104,846.19	Ne
12/10/2009	Encumbered Balance				110,134.34	
12/21/2009	ROP - Sandpiper		101R-SP	1,776.25		
3/2/2010	ROP-Sandpiper Winzler & Kelly		112R-SP	6,109.00		
3/2/2010	ROP-Sandpiper Winzler & Kelly		111R-SP	325.00		
3/16/2010	ROP-Sandpiper Winzler & Kelly		121R-SP	593.50		
3/16/2010	ROP-Sandpiper Winzer & Kelly		120R-SP	414.00		
3/30/2010	AEDC - Helen Reninger		699	7,995.00		
4/13/2010	ROP-Sandpiper Winzler & Kelly		300	989.00		
6/1/2010	ROP-Sandpiper Winzler & Kelly		305 ✓	18,087.25	✓	
6/22/2010	City of Arcata Inspection-McDonald			209.00		
6/23/2010	ROP-Sandpiper D.		310 ✓	7,324.00	✓	
6/23/2010	ROP-Sandpiper D.		311 ✓	5,260.00	✓	

EXP 4,669.20

2008/2009

Deficit 12,584

		LOAN 1 TOTAL $66511					$	865,932.00
		REHAB	DEV FEE	Replacement Reserve	charge to loan 1	Balance Loan 1	Charge to Loan 2	Balance loan 2
		59,641	4,500	2,370	66,511			
	utility deposit	$ 900.00			$ 900.00	58,741.00		
8/22/07	ROP- Sandpiper Needs assessment	$ 2,025.00			$ 2,025.00	56,716.00		
9/12/07	ROP-Sandpiper survey retainer	$ 1,000.00			$ 1,000.00	55,716.00		
11/29/07	ROP- Sandpiper Points West	$ 5,894.00			$ 5,894.00	49,822.00		
3/19/08	ROP - Sandpiper-Title company	$ 1,080.00			$ 1,080.00	48,742.00		
12/3/2008	ROP - Sandpiper Atkins	$ 665.00			$ 665.00	48,077.00		
12/29/2008	ROP - Sandpiper Winzler and Kelly	$ 3,962.00			$ 3,962.00	44,115.00		
1/14/2009	ROP-Sandpiper Kemp	$ 500.00			$ 500.00	43,615.00		
2/4/2009	ROP - Sandpiper	$ 7,892.50			$ 7,892.50	35,722.50		
2/9/2009	ROP - Sandpiper	$ 166.25			$ 166.25	35,556.25		
3/3/2009	ROP - Sandpiper	$ 5,101.50			$ 5,101.50	30,454.75		
3/18/2009	ROP- Sandpiper	$ 196.00			$ 196.00	30,258.75		
5/26/2009	ROP - Sandpiper Winzler and Kelly	$ 10,725.50			$ 10,725.50	19,533.25		
6/16	ROP - Sandpiper Atkins	$ 239.18			$ 239.18	19,294.07		
6/16	ROP - Sandpiper Winzler and Kelly	$ 310.50			$ 310.50	18,983.57		
	ROP - Sandpiper	$ 261.00			$ 261.00	18,722.57		
	ROP - Sandpiper	$ 285.00			$ 285.00	18,437.57		
	JE - ROP Sandpiper Design Review	$ 575.85			$ 575.85	17,861.72		
	ROP - Sandpiper	$ 1,776.25			$ 1,776.25	16,085.47		
	ROP-Sandpiper Winzler & Kelly	$ 6,109.00			$ 6,109.00	9,976.47		
	ROP-Sandpiper Winzler & Kelly	$ 325.00			$ 325.00	9,651.47		
	ROP-Sandpiper Winzler & Kelly	$ 593.50			$ 593.50	9,057.97		
	ROP-Sandpiper Winzer & Kelly	$ 414.00			$ 414.00	8,643.97		
4/13/2010	ROP-Sandpiper Winzler & Kelly	$ 989.00			$ 989.00	7,654.97	865,932.00	new loan
6/1/2010	ROP-Sandpiper Winzler & Kelly	$ 18,067.25		$ 2,370.00	10,024.97	(10,412.28)	8,042.28	$ 857,889.72
7/9/2010	ROP	$ 4,500.00	$ 4,500.00		4,500.00			$ 857,889.72
				TOTAL	66,511.00			$ 857,889.72
				BALANCE ON LOAN 1	-			$ 857,889.72
								$ 857,889.72
6/23/2010	ROP-Sandpiper						7324	$ 850,565.72
6/23/2010	ROP-Sandpiper						5260	$ 845,305.72
7/27/2010	ROP-Sandpiper						193.00	$ 845,112.72
7/27/2010	ROP-Sandpiper						1,574.00	$ 843,538.72
7/27/10	ROP-Sandpiper						5,460.00	$ 838,078.72
8/24/2010	ROP-Sandpiper						5,324.00	$ 832,754.72
9/30/10	ROP-Sandpiper						3,943.00	$ 828,811.72
10/19/10	ROP-Sandpiper						1,023.40	$ 827,788.32
10/19/10	ROP-Sandpiper						196.00	$ 827,592.32
10/19/10	ROP-Sandpiper						1,100.00	$ 826,492.32
10/19/10	ROP-Sandpiper						4,661.75	$ 821,830.57
10/19/10	ROP-Sandpiper						965.25	$ 820,865.32
10/19/10	ROP-Sandpiper						4,229.00	$ 816,636.32
11/9/10	ROP-Sandpiper						358.50	$ 816,277.82
11/9/10	ROP-Sandpiper						1,024.00	$ 815,253.82
11/23/10	ROP-Sandpiper						3,929.00	$ 811,324.82
12/20/10	ROP-Sandpiper						10,299.06	$ 801,025.76
12/20/10	ROP-Sandpiper						3,912.00	$ 797,113.76
12/20/10	ROP-Sandpiper						5,158.50	$ 791,955.26
1/11/11	Fidelity Title-ROP Sandpiper						820.00	$ 791,135.26
1/18/11	ROP-Sandpiper						378.00	$ 790,757.26
1/25/2011	ROP-Sandpiper						$ 189.00	$ 790,568.26
2/8/2011	ROP-Sandpiper						3,777.00	$ 786,791.26
2/15/2011	ROP-Sandpiper						94.50	$ 786,696.76
2/22/2011	ROP-Sandpiper						5,363.00	$ 781,333.76
3/22/2011	ROP-Sandpiper						3,615.75	$ 777,718.01
3/22/2011	ROP-Sandpiper						4,453.00	$ 773,265.01
4/20/2011	ROP-Sandpiper						295.00	$ 772,970.01
4/20/2011	ROP-Sandpiper						20,000.00	$ 752,970.01
4/20/2011	ROP-Sandpiper						4,453.00	$ 748,517.01

5/17/2011	ROP-Sandpiper	203.00	$	748,314.01
5/17/2011	ROP-Sandpiper	10.00	$	748,304.01
10/2/2010	ROP-Sandpiper	193.00	$	748,111.01
5/24/2011	ROP-Sandpiper	11,844.02	$	736,266.99
5/24/2011	ROP-Sandpiper	4,453.00	$	731,813.99
6/21/2011	ROP-Sandpiper	409.50	$	731,404.49
6/21/2011	ROP-Sandpiper	4,453.00	$	726,951.49
9/2/2011	ROP-Deficit	4,453.00	$	722,498.49
8/30/2011	ROP-Deficit	4,453.00	$	718,045.49
8/30/2011	ROP-P G & E	24,441.62	$	693,603.87
8/30/2011	ROP-W & K Revise Easement Plat Map	746.22	$	692,857.65
8/30/11	ROP-W&K Revise Specs/Plans	795.00	$	692,062.65
8/30/2011	ROP-Richard Dills-Triplex Eng/Design	2,700.00	$	689,362.65
9/20/11	ROP-Deficit	4,453.00	$	684,909.65
9/26/11	ROP-W&K Revise Easement Plat Map	1,380.00	$	683,529.65
9/27/11	County Recorder-ROP Deed Restriction	68.00	$	683,461.65
10/24/11	ROP-Deficit	4,453.00	$	679,008.65
11/22/11	ROP-Deficit	4,453.00	$	674,555.65
11/7/11	ROP-W&K Stormwater Runoff Plan	589.50	$	673,966.15
9/2/11	ROP-Abbay Tech Services-Triplex Energy Report	575.00	$	673,391.15
12/19/11	ROP-Deficit	4,453.00	$	668,938.15
1/23/12	ROP-Deficit	4,453.00	$	664,485.15
2/6/12	ROP-GHD Storm Runoff Plan	32.75	$	664,452.40
2/21/12	ROP-Deficit	4,453.00	$	659,999.40
2/28/12	ROP-Rehg Landscape	800.00	$	659,199.40
3/5/12	ROP-GHD Invoice-Design Review	131.00	$	659,068.40
3/12/12	ROP-GHD-nat.gas plan/specs/encr permit	327.50	$	658,740.90
4/2/12	ROP-Deficit	4,453.00	$	654,287.90
4/9/2012	ROP-Sundberg-Bonding	8,639.00	$	645,648.90
4/23/2012	ROP-Deficit	4,453.00	$	641,195.90
5/15/2012	ROP-GHD-Constr Mgmt	534.75	$	640,661.15

						5,000.00
884-12-760.30.0	MULTIFAMILY PROGRAM	884-30-12-58300	000-00-000.00	0.00	930,000.00	8th a
					930,000.00	
7/9/2010	ROP-Sandpiper Dev Fee	*	1497	4,500.00	925,500.00	
7/27/2010	ROP-Sandpiper HCD	*	313	1,574.00	923,926.00	
7/27/10	ROP-Sandpiper D.	*	314	5,460.00	918,466.00	
8/24/2010	ROP-Sandpiper D.	*	321	5,324.00	913,142.00	
9/30/10	ROP-Sandpiper D.	*	328	3,943.00	909,199.00	
10/12/10	ROP-Arcata Mobilehome Park	*	84	63,547.64	845,651.36	
10/19/10	ROP-Sandpiper Eel River Trans: Relocation	*	312	1,023.40	844,627.96	
10/19/10	ROP-Sandpiper HCD	*	315	196.00	844,431.96	
10/19/10	ROP-Sandpiper Ferryclark-Asbestos	*	320	1,100.00	~~843,331.96~~	
10/19/10	ROP-Sandpiper w:K	*	323	4,661.75	838,670.21	
10/19/10	ROP-Sandpiper w:K	*	326	965.25	837,704.96	
10/19/10	ROP-Sandpiper w:K	*	331	4,229.00	833,475.96	
11/9/10	ROP-Sandpiper w:K	*	335	358.50	833,117.46	
11/9/10	ROP-Sandpiper w:K	*	334	1,024.00	832,093.46	
11/23/10	ROP-Sandpiper D	*	337	3,929.00	828,164.46	
12/20/10	ROP-Sandpiper WK	*	340	10,299.06	817,865.40	
12/20/10	ROP-Sandpiper D	*	341	3,912.00	813,953.40	
12/20/10	ROP-Sandpiper WK	*	339	5,158.50	808,794.90	
1/11/11	Fidelity Title-ROP Sandpiper	*	9.12E+11	820.00	807,974.90	
1/18/11	ROP-Sandpiper WK	*	343	378.00	807,596.90	
1/25/2011	ROP-Sandpiper WK	*	344	$ 189.00	807,407.90	
2/8/2011	ROP-Sandpiper D	*	345	3,777.00	803,630.90	
2/15/2011	ROP-Sandpiper WK	*	347	94.50	803,536.40	
2/22/2011	ROP-Sandpiper D	*	349	5,363.00	798,173.40	
3/11/2011	Plaza Point	*		700,000.00	98,173.40	100K
3/29/2011	ROP-Arcata Mobilehome Park			7,060.85	91,112.55	
3/22/2011	ROP-Sandpiper WK		353	3,615.75	87,496.80	
3/22/2011	ROP-Sandpiper D		352	4,453.00	83,043.80	
4/20/2011	ROP-Sandpiper HCD		355	295.00	82,748.80	
4/20/2011	ROP-Sandpiper Dev Fee ? *		1862	20,000.00	62,748.80	
4/20/2011	ROP-Sandpiper D		357	4,453.00	58,295.80	
5/17/2011	plaza point JE to 245			-100,000.00	158,295.80	
5/17/2011	ROP-Sandpiper HCD		359	203.00	158,092.80	
5/17/2011	ROP-Sandpiper HCD		358	10.00	158,082.80	
10/2/2010	ROP-Sandpiper WK		330	193.00	157,889.80	
5/24/2011	ROP-Sandpiper WK		362	11,844.02	146,045.78	
5/24/2011	ROP-Sandpiper D		361	4,453.00	141,592.78	
6/21/2011	ROP-Sandpiper - WK		366	409.50	141,183.28	
6/21/2011	ROP-Sandpiper D		367	4,453.00	136,730.28	

1574 + 193 Relocation

+670,608.49 other projects

2010/2011 Remaining Budget

930K - 407,338.77 = 122,661.23

? RELOCATION 1,023.40

Clark 1,100

HCD - 1983

Dev Fee - 24,450 ? *

Deficit - 49,520 ——— 106,634.00

WK - 43,459.83

ACD 295

Fid. 820.00

122,651.23

884-12-760.30.0	Multifamily Program			$200,000.00
2/28	Sandpiper reserves		$ 14,430.00	$185,570.00
3/5	JE to HOME 259.14-840.00.0		$ (14,430.00)	$200,000.00
7/16	Arcata Mobile Land sale		$ 345,700.00	($145,700.00)
				($145,700.00)
				($145,700.00)
				($145,700.00)
				($145,700.00)
				($145,700.00)

2006/2007

Project Summary

Account NO.	Project Name	Budgeted	Funding Type	Admin	Revolving	Non Revolving
259-14-840.00.0	Sandpiper Mobile Home Park	$ 279,000.00	ED or HR			
3/1/2007	Escrow land sale, #5003463 Fidelity	$ 247,100			$ 247,100	
3/6/2007	JE from Agency 884-12-760.30.0	$ 14,430			$ 14,430	
3/6/2007	Returned cash from escrow	$ (9,641)			$ (9,641)	
3/5/2007	Sandpiper utility deposit assistance	$ 900			$ 900.00	
4/1/2009	JE rehab expenses from Agency	$ 26,211.02			$ 26,211.02	
		$ 279,000.00		$ -	$ 279,000.00	$ -

279,000

884-12-760.11.0	House Rehabilitation			$30,000.00
11/30/05	RCAA - McDonald Final	9/30/2005	$ 5,428.55	$24,571.45
8/7/07	ROP- Arcata Water and Sewer		$ 1,954.00	$22,617.45
8/22/07	ROP- Sandpiper Needs assessment		$ 2,025.00	$20,592.45
9/12/07	ROP-Sandpiper survey retainer	7	$ 1,000.00	$19,592.45
11/28/07	ROP- Arcata title reimbursement		$ 955.00	$18,637.45
11/29/07	ROP- Sandpiper Points West		$ 5,894.00	$12,743.45
12/5/07	ROP- Arcata drainage study	10	$ 987.00	$11,756.45
3/19/08	ROP - Sandpiper-Title company	19	$ 1,080.00	$10,676.45
				$10,676.45
				$10,676.45
				$30,000.00
				$30,000.00
				$30,000.00
				$30,000.00
				$30,000.00
				$30,000.00
884-12-760.30.0	Multifamily Program			$200,000.00
2/28	Sandpiper reserves		$ 14,430.00	$185,570.00
3/5	JE to HOME 259.14-840.00.0		$ (14,430.00)	$200,000.00
7/16	Arcata Mobile Land sale		$ 345,700.00	($145,700.00)
10/23	JE to CDBG PI for AMHP		$ (10,592.87)	($135,107.13)
				($135,107.13)

6,594

9,999

2007/2008

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880 L STREET ARCATA, CA 95521
CA LIC. #888941 *A California Corp.

May 31, 2012

Mr. Maurice A. Priest, President
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

Solar

Maurice,

I have completed my budget for the freestanding building proposed for the Sandpiper site. The costs for this building are **$410,000**. This includes:

1. Construction complete, ready for occupancy.
2. Contractor's general conditions, including cost of bonds.
3. Trades priced at prevailing wage rates for Humboldt County.
4. Appliances, including coin operated washers and dryers in the laundry.
5. Floor coverings in the $4/sq. ft. range.
6. Gas wall heaters in four locations. Forced air systems are going to require planning, if desired, as routes through fire rated walls and floors are complicated. You should add **$12,000** total for four forced air systems.
7. A complete PV roof system.
8. A fire protection system including site and offsite work.
9. Some concrete flatwork around the building.
10. **A contingency of 10%.**

I read the soils report and recommendations and have included the work in this quote.

What is not included:

1. Permits, utility hookup costs and fees, and PG&E costs, other jurisdictional fees.

Printed on recycled paper

2. Cost of oversight or inspection and reports by the City's design engineer. They can tell you what this will be; I would think that **$8,000** would cover this pretty handily for this size of a building.

My guess is that competitive bidding will drive this cost down some, and that some things will come up that were not considered, and that you will end up in the range of my estimate without the contingency.

I hope this helps you with getting your money authorized for the project. If it works into our world at that time, we look forward to pricing it when the time comes for that.

Sincerely,

Nick Lucchesi

Kelli Spiers

From: David Loya
Sent: Thursday, August 02, 2012 9:41 AM
To: Kelli Spiers
Subject: FW: Engineering costs for Sandpiper

per Reg Agreement 5 6

This is sufficient. Let's approve the contract amendment. Specify in your response that the construction management will count against that line item in the loan agreement and that the soils work will count against the contingency...please double check the loan agreement to determine if it is against hard or soft contingency.

10% $3,600

$84,900

Management Fee =

Const. Management Oversight 25,000

David Loya
City of Arcata
Community Development Deputy Director

707.825-2045
707.822-5955
707.825-2029 (Fax)

736 F Street
Arcata, CA 95521

From: Josh Wolf [mailto:Josh.Wolf@ghd.com]
Sent: Thursday, August 02, 2012 9:36 AM
To: Kelli Spiers
Cc: Maurice A. Priest; David Loya; Merritt Perry
Subject: RE: Engineering costs for Sandpiper

Kelli,

The estimated budget was $10,000 ($3,000 from Amendment 2 and $7,000 from Amendment 6). Effort to date (through last week) is $12,046.

how is this calculated ?

Thanks,
Josh

10,000
+ 6,500
16,500

From: Kelli Spiers [mailto:kspiers@cityofarcata.org]
Sent: Thursday, August 02, 2012 9:24 AM
To: Josh Wolf
Cc: Maurice A. Priest; David Loya; Merritt Perry
Subject: RE: Engineering costs for Sandpiper

Hi Josh, Please let me know what is the existing contract amount for Construction Management with GHD.

Thank you,

Kelli Spiers
Redevelopment Specialist
City of Arcata
736 F Street, Arcata CA 95521
ph: (707) 825-2041

fax: (707) 825-2042

From: Josh Wolf [mailto:Josh.Wolf@ghd.com]
Sent: Wednesday, August 01, 2012 2:48 PM
To: Kelli Spiers
Cc: Maurice A. Priest; David Loya; Merritt Perry
Subject: RE: Engineering costs for Sandpiper

Kelli,

I don't have that information readily available. I do know that the total amount billed to date is $109,517.30. We've also incurred $6,147.93 in write offs to date. Let me know if this will work for your or if you need a breakdown by phase.

Thanks,
Josh

From: Kelli Spiers [mailto:kspiers@cityofarcata.org]
Sent: Wednesday, August 01, 2012 12:59 PM
To: Josh Wolf
Cc: Maurice A. Priest; David Loya
Subject: RE: Engineering costs for Sandpiper

Hi John, Thank you for sending this. I see the estimated fee column but do see a column that has the amount previously billed for each specific scope of work.

Do you have that? Please feel free to contact me if you need further explanation.

Thank you,

Kelli Spiers
Redevelopment Specialist
City of Arcata
736 F Street, Arcata CA 95521
ph: (707) 825-2041
fax: (707) 825-2042

From: Josh Wolf [mailto:Josh.Wolf@ghd.com]
Sent: Wednesday, August 01, 2012 12:07 PM
To: Kelli Spiers; Maurice A. Priest
Cc: David Loya; Merritt Perry
Subject: RE: Engineering costs for Sandpiper

Kelli,

Please see attached summary of amendments to date. Let me know if you need anything else.

Thanks,

Josh

From: Kelli Spiers [mailto:kspiers@cityofarcata.org]
Sent: Monday, July 30, 2012 3:47 PM
To: Maurice A. Priest
Cc: David Loya; Josh Wolf
Subject: RE: Engineering costs for Sandpiper

Hi Maurice, Thank you for asking for our approval. Since we have multiple amendments to this contract it would be great to see a spreadsheet detailing each scope of work balance vs contracted amount.

Maybe Josh has some type of tracking spreadsheet for us to review?

Thank you,

Kelli Spiers
Redevelopment Specialist
City of Arcata
736 F Street, Arcata CA 95521
ph: (707) 825-2041
fax: (707) 825-2042

From: Maurice A. Priest [mailto:rop@att.net]
Sent: Monday, July 30, 2012 3:07 PM
To: Kelli Spiers; David Loya
Subject: Fw: Engineering costs for Sandpiper

July 30th

David:

Before signing and returning Amendment No. 10 to the GHD Engineering contract on Sandpiper, I would request your permission to do so. Please let me know at your earliest opportunity. Thanks, Maury

Maurice A. Priest
President
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831
Phone 916-399-4993
Fax 916-424-2205
E-mail: rop@att.net
Website: www.residentownedparks.com

----- Forwarded Message ----
From: Josh Wolf <Josh.Wolf@ghd.com>

To: Maurice A. Priest <rop@att.net>
Cc: Merritt Perry <merritt.perry@ghd.com>
Sent: Mon, July 30, 2012 1:26:50 PM
Subject: RE: Engineering costs for Sandpiper

Maury,

I never heard back from you on this. Can you please sign and return the attached amendment, or let me know if you have any questions.

Thanks,
Josh

From: Josh Wolf
Sent: Wednesday, July 25, 2012 3:30 PM
To: Maurice A. Priest
Cc: Merritt Perry
Subject: FW: Engineering costs for Sandpiper

Maury,

Attached please find Amendment No. 10, which authorizes additional budget for construction management assistance, as well as the geotechnical services provided by LACO. The additional construction management services are required as a result of the work being delayed/suspended to allow the mobile home manufacturer the opportunity to construct the foundations and install the units. We have also provided additional services during construction which were not expected or previously budgeted, including revising and resubmitting the project design and specifications to HCD for approval.

Please sign and return the amendment at your earliest convenience. Feel free to give me a call with any questions.

Thanks,
Josh

From: Josh Wolf
Sent: Friday, June 01, 2012 11:46 AM
To: 'Maurice A. Priest'
Cc: Merritt Perry
Subject: RE: Engineering costs for Sandpiper

Maury,

We currently have approximately $4,600 remaining for construction management out of the $10,000 budgeted in our current contract. As I mentioned, it's difficult to estimate how much additional effort will be required without knowing how long or how many different mobilizations it will take for GRS to complete the site, paving and concrete work after the mobile units are installed. To be conservative, I'd estimate that we would need an additional $5,000 to complete the project, which is in addition to the $4,600 remaining in our current contract (total estimated cost to complete work: $9,600).

GRS will also likely request additional money to cover their mobilization/administration costs if they're pulled off the project, then have to remobilize to pave the driveways. The cost will vary depending on how many times they have to come back (e.g. will they pave all the driveways at once, or will they need to remobilize 16 different times to pave driveways individually).

Also, when budgeting for the stick-built building and mobile units, I suggest including at least an additional $5,000 to cover the cost for a geotechnical engineer to review and approve footing and foundation subgrade conditions, and a surveyor to set horizontal and vertical control.

There are also some outstanding changes order costs that I should receive from GRS today related to the additional work requested by the City (irrigation sleeve and concrete patch in G Street), and changed field conditions (existing water valve near water meter needed to be replaced). I'll send them over as soon as I receive them.

Let me know if you need anything else.

Josh

From: Maurice A. Priest [mailto:rop@att.net]
Sent: Friday, June 01, 2012 9:33 AM
To: Josh Wolf; Merritt Perry
Subject: Engineering costs for Sandpiper

June 1st

Josh & Wolf:

This email follows your earlier conversation regarding the costs of remaining engineering and related services at Sandpiper based on your existing contracts and Addendums with ROP.
I have been able to send to the City a list of payments we have sent to WK and GHD to date, but I don't want to guess wrong on the services that must be rendered in the future, or for which you have billed, but not yet received payment.

Kelli advised me yesterday that all project expenses must be finalized before the City Council meeting on June 6th. That will be their only meeting in June and once they vote on Sandpiper funding on June 6th, we will have to live with that number. I really need this before the end of the day. Thanks, Maury

P.S. If you alredy sent this, and I have overlooked it please let me know.

Maurice A. Priest
President
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831
Phone 916-399-4993
Fax 916-424-2205
E-mail: rop@att.net
Website: www.residentownedparks.com

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Kelli Spiers

From: Maurice A. Priest [rop@att.net]
Sent: Wednesday, September 26, 2012 3:51 PM
To: David Loya; Kelli Spiers
Subject: Fw: Sandpiper Change Orders #4 and #5 from Sundberg
Attachments: Sandpiper -Change Order No. 4 (9.13.12).pdf; Sandpiper -Change Order No. 5 (9.26.12).pdf

September 26th

David:

Thank you for your time today, and for providing the recap summary of Sandpiper expenses to date, and estimate of remaining funds from the 3 City loans. I will be working with ROP Accounting to review all of the expenses to date, and will share our review with you and Kelli.

The ordered new utility pedestals for the 16 homes are being shipped to Eureka tomorrow per Josh's email below. I am forwarding Change Orders #4 and #5 received from Josh today re Sundberg's work at Sandpiper. Please advise me at your earliest opportunity if you approve these change orders. #4 deals with the new pedestals for each of the 16 homes, and the increased cost of installing them, which is $8,694.

#5 is for increased paving and concrete work around each of the 16 mobilehomes, primarily for footings and landings beneath each set of front door stairs, or side/rear door landings and stairs, for an additional cost of $21,985. Some of this work was necessitated by the Coastal Commission conditions. Based on our meeting today and the Sundberg bid for this additional work, compared to the SRM bid (our installation contractor) whose bid came in at over $30,000, I think it is a fair price from Sundberg for this additional work.

Maury

Maurice A. Priest
President
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831
Phone 916-399-4993
Fax 916-424-2205
E-mail: rop@att.net
Website: www.residentownedparks.com

----- Forwarded Message ----
From: Josh Wolf <Josh.Wolf@ghd.com>
To: Maurice A. Priest <rop@att.net>; Randy Sundberg <randy@grsinc.biz>
Cc: Merritt Perry <merritt.perry@ghd.com>
Sent: Wed, September 26, 2012 11:05:59 AM
Subject: Sanpiper Change Orders

Maury & Randy,

Change orders No. 4 and 5 are attached. Maury, please review and let me know if you have any questions or concerns. Randy, please sign, scan and return at your earliest convenience.

Maury, the electrical pedestals are scheduled to be delivered to Eureka tomorrow.

Thanks,
Josh

Josh Wolf, PE
Project Manager

GHD
T: 707 443 8326 | F: 707 444 8330 | C: 707 599 8078 | E: josh.wolf@ghd.com
718 Third Street, Eureka, CA 95501, USA | www.ghd.com
WATER | ENERGY & RESOURCES | ENVIRONMENT | PROPERTY & BUILDINGS | TRANSPORTATION

Please consider our environment before printing this email

ACTIVITY 35					$1,403,000	
Date	Item Name	Posted to SB	Invoice Number	Expenditure Amount	FY 11-12 Balance	
8/30/2011	ROP-Deficit	*	375	4,453.00	304,063.52	
8/30/2011	ROP-P G & E	*	380	24,441.62	279,621.90	
8/30/2011	ROP-W & K Revise Easement Plat Map	*	378	746.22	278,875.68	
8/30/11	ROP-W&K Revise Specs/Plans	*	372	795.00	278,080.68	
8/30/2011	ROP-Richard Dills-Triplex Eng/Design	*	377	2,700.00	275,380.68	
					275,380.68	
9/20/11	ROP-Deficit	*	381	4,453.00	270,927.68	
9/26/11	ROP-W&K Revise Easement Plat Map	*	384	1,380.00	269,547.68	
9/27/11	County Recorder-ROP Deed Restriction	*		68.00	269,479.68	
10/24/11	ROP-Deficit	*	387	4,453.00	265,026.68	
11/22/11	ROP-Deficit	*	392	4,453.00	260,573.68	
11/7/11	ROP-W&K Stormwater Runoff Plan	*	389	589.50	259,984.18	
9/2/11	ROP-Abbay Tech Services-Triplex Energy R	*	374	575.00	259,409.18	
12/19/11	ROP-Deficit	*	394	4,453.00	254,956.18	Expended
1/23/12	ROP-Deficit	*	397	4,453.00	250,503.18	##########
2/6/12	ROP-GHD Storm Runoff Plan	*	398	32.75	250,470.43	
2/21/12	ROP-Deficit	*	399	4,453.00	246,017.43	
2/28/12	ROP-Rehg Landscape	*	401	800.00	245,217.43	
3/5/12	ROP-GHD Invoice-Design Review	*	402	131.00	245,086.43	
3/12/12	ROP-GHD-nat.gas plan/specs/encr permit	*	403	327.50	244,758.93	
4/2/12	ROP-Deficit	*	405	4,453.00	240,305.93	
4/9/2012	ROP-Sundberg-Bonding	*	390	8,639.00	231,666.93	
						Site Construction Date
4/23/2012	ROP-Deficit	*	406	4,453.00	227,213.93	
5/15/2012	ROP-GHD-Constr Mgmt	*	407	534.75	226,679.18	
5/29/2012	ROP-Deficit	*	408	4,453.00	222,226.18	
6/11/2012	ROP-GR Sundberg	*	410	127,267.53	94,958.65	
6/11/2012	ROP-GHD	*	409	3,337.50	91,621.15	
6/19/2012	ROP-Deficit	*	412	4,453.00	87,168.15	
6/19/2012	ROP-HCD fees	*	411	2,456.00	84,712.15	
6/30/2012	ROP-Loan for Rehab	*		899,616.00		
6/30/2012	ROP-GRS Constr Draw	*	413	123,747.50		

						0.00
						0.00
						0.00
244-30-35-58500	Sanpiper Project					0.00
7/20/2012	Humboldt Co Recorder-D/T & Reg				56.00	0.00
8/14/2012	ROP-Inpsection		414		178.00	0.00
8/14/2012	ROP-GHD (Project Management)		415		3,554.75	0.00
8/14/2012	ROP-Cash Deficit (Aug)		416		4,453.00	0.00
8/14/12	ROP-GHD		417		2,670.50	0.00
8/2/2012	ROP-Sarah Atkins		418		1,247.60	0.00
8/20/12	ROP-Cash Deficit (Sept)		419		4,453.00	0.00
						0.00
						0.00
						0.00
						0.00
						0.00
						0.00

3/9/07
at Escrow 40,500
~~4/30/10~~ ~~4,500~~
7/9/10 4,500
4/20/11 $20,000
65,000

CITY OF ARCATA

JOURNAL ENTRY

Number _____

Date 6/29/2012

Page _____

Account Number (12 digits)	Type Code/ Task Code	Debit	Credit
211-30-13-58207			18.73
211-30-13-~~58500~~ 58207			24.59
211-00-00-11000		43.32	
255-00-00-11000			18.73
255-30-14-51780		18.73	
244-00-00-11000			24.59
244-30-35-58500		24.59	

Description:

Transfer Fed Ex Invoices (2-055-86845 & 7-989-23303) to correct accts

Prepared By: _____ Date 11/1/12

Examined By: _____ Date 11/7/12

Posted By: _____ Date _____

FedEx

Invoice Number	Invoice Date	Account Number	Page
7-989-23303	Aug 17, 2012	2164-0905-1	1 of 4

PAST DUE

FedEx Tax ID: 71-0427007

27368

Billing Address:
CITY OF ARCATA-BLDG/PLAN DEPTS
736 F ST
ARCATA CA 95521-6211

Shipping Address:
CITY OF ARCATA-BLDG/PLAN DEPTS
736 F ST
ARCATA CA 95521-6211

Invoice Questions?
Contact FedEx Revenue Services
Phone: (800) 622-1147 M-Sa 7-6 (CST)
Fax: (800) 548-3020
Internet: www.fedex.com

Invoice Summary Aug 17, 2012

FedEx Express Services

Transportation Charges		22.35
Special Handling Charges		2.24
Total Charges	USD	$24.59
TOTAL THIS INVOICE	**USD**	**$24.59**

The amount due shown on the remittance advice reflects the invoice balance due and includes only those items still outstanding. Any payment which could be applied to a specific shipment has been credited to the appropriate activity summary enclosed. Payments and/or adjustments that could not be applied to a specific shipment have been credited against the total amount due on this invoice.
Other discounts may apply.
Your Account is Past Due. Date of Notice: Oct 12, 2012. To prevent further action, please remit your payment immediately. If payment has been made, please disregard this notice.

OK to pay Lm PCO
Date 10/29/12
P.O.# 36501-1
Acct.# 211-30-13-58207
Bill to file # Sandpiper

Jb 244-30-35-58800

Detailed descriptions of surcharges can be located at fedex.com

To ensure proper credit, please return this portion with your payment to FedEx. Please do not staple or fold. Please make check payable to FedEx.

☐ For change of address, check here and complete form on reverse side.

Invoice Number	Account Number	Amount Past Due
7-989-23303	2164-0905-1	USD $24.59

Remittance Advice

Your Account is Past Due. Date of Notice: Oct 12, 2012

216409057989233031200000245961

0013753 01 AB 0.371 **AUTO T0 3 1286 95521-621136 -C01-P13766-I1

CITY OF ARCATA-BLDG/PLAN DEPTS
736 F ST
ARCATA CA 95521-6211

FedEx
P.O. Box 7221
Pasadena CA 91109-7321

60074860006110

1286-01-00-0013753-0002-0038181

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS

MOBILEHOME INSTALLATION ACCEPTANCE

I.D. No. 12-0041

PERMIT NO. 7401295

ADDRESS OR LOCATION OF MOBILEHOME: 115 G. ST. #10 ARCATA, CA. 95521

Owner's name: RESIDENT OWNED PARKS

Owner's address: 7420 GREENHAVEN DR. #125 SACRAMENTO, CA. 95831

INSIGNIA OR HUD NUMBER: RAD 149826GD

MANUFACTURER'S NAME: CHAMPION

SERIAL NUMBER OR V.I.N.: 889-002 YEAR OF MANUFACTURE: 2012

(Official Approving Installation) 11/29/12 (Date) (702)372-7988 (Phone)

IF THE MOBILEHOME IS MOVED OR RELOCATED, THE MOBILEHOME INSTALLATION ACCEPTANCE SHALL BECOME INVALID.

This form shall not be used when the mobilehome is installed on a foundation system.

HCD 513A (7/80)

White - Owner
Canary - Permittee, Blue - Office files

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS

MOBILEHOME INSTALLATION ACCEPTANCE

I.D. No. 12-0041

PERMIT NO. 746291

ADDRESS OR LOCATION OF MOBILEHOME: 115 G. ST. #11 ARCATA, CA 95521

Owner's name: RESIDENT OWNED PARKS

Owner's address: 7420 GREENHAVEN DR. #125 SACRAMENTO, CA. 95831

INSIGNIA OR HUD NUMBER: RAD 1498261

MANUFACTURER'S NAME: CHAMPION

SERIAL NUMBER OR V.I.N.: 007-COFH-A00415 YEAR OF MANUFACTURE: 2012

(Official Approving Installation) (Date) 11/29/12 (Phone) (707) 822-7988

IF THE MOBILEHOME IS MOVED OR RELOCATED, THE MOBILEHOME INSTALLATION ACCEPTANCE SHALL BECOME INVALID.

This form shall not be used when the mobilehome is installed on a foundation system.

HCD 513A (7/80)

White – Owner
Canary – Permittee, Blue – Office files

3. WORKERS' COMPENSATION DECLARATION
I hereby affirm under penalty of perjury one of the following declarations:
☐ I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.
☐ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:
Carrier _____
Policy Number _____
(This section need not be completed if the permit is for one hundred dollars ($100) or less).
☒ I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to workers' compensation laws of California, and agree that if I should become subject to workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.
Applicant _____ Date 7-24-12

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS ($100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

4. CONSTRUCTION LENDING AGENCY
I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Sec.3097, Civ. C.).
Lender's Name _____
Lender's Address _____

5. CERTIFICATION
I certify that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction, and hereby authorize representatives of this county to enter upon the above-mentioned property for inspection purposes.
Signature of Applicant or Agent: _____ Date

AS REAL PROPERTY
Valuation $ 8,000.00 CRA N/A

SECTION 3 – ACCESSORY BUILDINGS or STRUCTURES
☐ NEW ☐ REINSTALL Standard Plan Approval No. _____
☐ Awning ☐ Carport ☐ Porch ☐ Cabana
☐ Other (specify) _____
OWNER _____ Tel. No. _____
Address _____
RESIDENT _____ Tel. No. _____
Lot No. _____

SECTION 4 - MANUFACTURED HOME/MOBILEHOME INSTALLATION
Owner Resident Owned Parks, Inc. Tel. No. 916-399-4993
Address 7420 Greenhaven Dr. # 125, Sacramento, CA 95831
Resident _____ Lot No. 11
Serial Number(s) _____
Manufacturer Name/
Date of MFG. _____ Model Name _____
Insignia/HUD Label No. _____

SECTION 5 PARK OWNER, OPERATOR OR MANAGER SIGNATURE
APPROVED: _____ 7/24/12
(Signature Required) Date

MISC. _____
TECH SER. _____
PLC'K _____
S.M.I. _____
ISSUE _____
TOTAL 196

DIVISION PROCESS RECORD
Application _____
Local Planning _____
Local Fire _____
Local Health _____
Public Works _____
Environmental Impact _____
Negative Declaration _____
School Impact Fees _____
Date 7/24/12
Issued By _____
Expires 1/24/13

HCD 50, Side 1 (Rev. 7/04) DISTRIBUTION: WHITE - DEPARTMENT, BLUE - APPLICANT, YELLOW - DISTRICT REPRESENTATIVE, PINK - ASSESSOR

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS
MOBILEHOME INSTALLATION ACCEPTANCE

I.D. No. 12-0041

PERMIT NO. 7401293

ADDRESS OR LOCATION OF MOBILEHOME: 115 G. ST #12 ARCATA

Owner's name: RESIDENT OWNED PARKS

Owner's address: 7420 GREENHAVEN DR. #126 SACRAMENTO, CA

INSIGNIA OR HUD NUMBER: RAD 1498262

MANUFACTURER'S NAME: CHAMPION

SERIAL NUMBER OR V.I.N. 00-00P-H-A000446 YEAR OF MANUFACTURE: 2012

(Official Approving Installation) (Date) 11/29/12 (Phone) (707) 2727988

IF THE MOBILEHOME IS MOVED OR RELOCATED, THE MOBILEHOME INSTALLATION ACCEPTANCE SHALL BECOME INVALID.

This form shall not be used when the mobilehome is installed on a foundation system.

HCD 513A (7/80)

White – Owner
Canary – Permittee, Blue – Office files

3. WORKERS' COMPENSATION DECLARATION
I hereby affirm under penalty of perjury one of the following declarations:
☐ I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.
☐ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:
Carrier _____
Policy Number _____
(This section need not be completed if the permit is for one hundred dollars ($100) or less).
☒ I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to workers' compensation laws of California, and agree that if I should become subject to workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.
Applicant [signature] Date 7-24-12

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS ($100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

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Lender's Name _____
Lender's Address _____

5. CERTIFICATION
I certify that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction, and hereby authorize representatives of this county to enter upon the above-mentioned property for inspection purposes.
[signature] 7-24-12
Signature of Applicant or Agent Date

Outside FH2
Valuation $ 8,000.00 LRA N/A

SECTION 3 – ACCESSORY BUILDINGS or STRUCTURES
☐ NEW ☐ REINSTALL Standard Plan Approval No. _____
☐ Awning ☐ Carport ☐ Porch ☐ Cabana
☐ Other (specify) _____
OWNER _____ Tel. No. _____
Address _____
RESIDENT _____ Tel. No. _____
Lot No. _____

SECTION 4 - MANUFACTURED HOME/MOBILEHOME INSTALLATION
Owner Resident Owned Parks, Inc. Tel. No. 916-399-4993
Address 7420 Greenhaven Dr. # 125, Sacramento, CA 95831
Resident _____ Lot No. 12
Serial Number(s) _____
Date of MFG. _____ Manufacturer Name/ Model Name _____
Insignia/HUD Label No. _____

SECTION 5 - PARK OWNER, OPERATOR OR MANAGER SIGNATURE
APPROVED: [signature] 7/24/12
(Signature Required) Date

MISC. _____
TECH SER. _____
PLC'K _____
S.M.I. _____
ISSUE _____
TOTAL 194

DIVISION PROCESS RECORD
Application _____
Local Planning _____
Local Fire _____
Local Health _____
Public Works _____
Environmental Impact _____
Negative Declaration _____
School Impact Fees _____
Date 7/24/12
Issued By [initials]
Expires 1/24/13

HCD 50, Side 1 (Rev. 7/04) DISTRIBUTION: WHITE - DEPARTMENT, BLUE - APPLICANT, YELLOW - DISTRICT REPRESENTATIVE, PINK - ASSESSOR

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS
MOBILEHOME INSTALLATION ACCEPTANCE

I.D. No. 12-0041

PERMIT NO. 7401287

115 G. ST.

ADDRESS OR LOCATION OF MOBILEHOME: SANDPIPER PARK #13 ARCATA, CA.

Owner's name: RESIDENT OWNED PARKS

Owner's address: 7420 GREENHAVEN DR. #125 SACRAMENTO, CA. 95831

INSIGNIA OR HUD NUMBER: RAD 1498265

MANUFACTURER'S NAME: CHAMPION

SERIAL NUMBER OR I.D.N.: NJ-CDP-H-A000447 YEAR OF MANUFACTURE: 2012

(Official Approving Installation) 11/29/12 (Date) (707) 822-7988 (Phone)

IF THE MOBILEHOME IS MOVED OR RELOCATED, THE MOBILEHOME INSTALLATION ACCEPTANCE SHALL BECOME INVALID.

This form shall not be used when the mobilehome is installed on a foundation system.

HCD 513A (7/80)

White – Owner
Canary – Permittee, Blue – Office files

3. WORKERS' COMPENSATION DECLARATION
I hereby affirm under penalty of perjury one of the following declarations:
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☐ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:
Carrier _____
Policy Number _____
(This section need not be completed if the permit is for one hundred dollars ($100) or less).
☒ I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to workers' compensation laws of California, and agree that if I should become subject to workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.
Applicant _____ Date 7-24-12

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS ($100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

4. CONSTRUCTION LENDING AGENCY
I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Sec. 3097, Civ. C.).
Lender's Name _____
Lender's Address _____

6. CERTIFICATION
I certify that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction, and hereby authorize representatives of this county to enter upon the above-mentioned property for inspection purposes.
Signature of Applicant or Agent _____ Date 7-24-12

FH2 - OUTSIDE
Valuation $ 8,000.00 LRA N/A

SECTION 3 – ACCESSORY BUILDINGS or STRUCTURES
☐ NEW ☐ REINSTALL Standard Plan Approval No. _____
☐ Awning ☐ Carport ☐ Porch ☐ Cabana
☐ Other (specify) _____
OWNER _____ Tel. No. _____
Address _____
RESIDENT _____ Tel. No. _____
Lot No. _____

SECTION 4 - MANUFACTURED HOME/MOBILEHOME INSTALLATION
Owner Resident Owned Parks, Inc. Tel. No. 916-399-4993
Address 7420 Greenhaven Dr. #125 Sacramento, CA 95831
Resident _____ Lot No. 13
Serial Number(s) _____
Manufacturer Name/
Date of MFG. _____ Model Name _____
Insignia/HUD
Label No. _____

SECTION 5 - PARK OWNER, OPERATOR OR MANAGER SIGNATURE
APPROVED _____ 7/24/12
(Signature Required) Date

MISC. _____
TECH SER. _____
PLCK _____
S.M.I. _____
ISSUE _____
TOTAL 196

DIVISION PROCESS RECORD
Application _____
Local Planning _____
Local Fire _____
Local Health _____
Public Works _____
Environmental Impact _____
Negative Declaration _____
School Impact Fees _____
Date 7/24/12
Issued By _____
Expires 1/24/13

HCD 50, Side 1 (Rev. 7/04) DISTRIBUTION: WHITE - DEPARTMENT, BLUE - APPLICANT, YELLOW - DISTRICT REPRESENTATIVE, PINK - ASSESSOR

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS
MOBILEHOME INSTALLATION ACCEPTANCE

I.D. No. 12-0041
PERMIT NO 7401297

ADDRESS OR LOCATION OF MOBILEHOME: 115 G. ST. ARCATA, CA. 95521 #14
Owner's name: RESIDENT OWNED PARKS
Owner's address: 7420 GREENHAVEN DR. #125 SACRAMENTO, CA. 95831
INSIGNIA OR HUD NUMBER: RAD 1498264
MANUFACTURER'S NAME: CHAMPION
SERIAL NUMBER OR V.I.N. 009-OOP-H-A000448 YEAR OF MANUFACTURE: 2012

(Official Approving Installation) 11/29/12 (Date) (707) 2727988 (Phone)

IF THE MOBILEHOME IS MOVED OR RELOCATED, THE MOBILEHOME INSTALLATION ACCEPTANCE SHALL BECOME INVALID.

This form shall not be used when the mobilehome is installed on a foundation system.

HCD 513A (7/80)

White – Owner
Canary – Permittee, Blue – Office files

3. WORKERS' COMPENSATION DECLARATION
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☐ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:
Carrier _____
Policy Number _____
(This section need not be completed if the permit is for one hundred dollars ($100) or less).
☒ I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to workers' compensation laws of California, and agree that if I should become subject to workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.
Applicant [signature] Date 7-24-12

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS ($100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

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I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Sec.3097, Civ. C.).
Lender's Name _____
Lender's Address _____

5. CERTIFICATION
I certify that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction, and hereby authorize representatives of this county to enter upon the above mentioned property for inspection purposes.
[signature] 7-24-12
Signature of Applicant or Agent Date

Outside FHZ
Valuation $ 8,000.00 LRA-N/A

SECTION 3 – ACCESSORY BUILDINGS or STRUCTURES
☐ NEW ☐ REINSTALL Standard Plan Approval No. _____
☐ Awning ☐ Carport ☐ Porch ☐ Cabana
☐ Other (specify) _____
OWNER _____ Tel. No. 14
Address _____
RESIDENT _____ Tel. No. _____
Lot No. _____

SECTION 4 - MANUFACTURED HOME/MOBILEHOME INSTALLATION
Owner Resident Owned Parks, Inc. Tel. No. 916-399-4993
Address 7420 Greenhaven Dr. # 125, Sacramento, CA 95831
Resident _____ Lot No. 14
Serial Number(s) _____
Date of MFG. _____ Manufacturer Name/ Model Name _____
Insignia/HUD Label No. _____

SECTION 5 - PARK OWNER, OPERATOR OR MANAGER SIGNATURE
APPROVED: [signature] 7/24/12
(Signature Required) Date

MISC. _____
TECH SER. _____
PLC'K _____
S.M.I. _____
ISSUE _____
TOTAL 196

DIVISION PROCESS RECORD
Application _____
Local Planning _____
Local Fire _____
Local Health _____
Public Works _____
Environmental Impact _____
Negative Declaration _____
School Impact Fees _____
Date 7/24/12
Issued By [initials]
Expires 1/24/13

HCD 50, Side 1 (Rev. 7/04) DISTRIBUTION: WHITE - DEPARTMENT, BLUE - APPLICANT, YELLOW - DISTRICT REPRESENTATIVE, PINK - ASSESSOR

THIS DOCUMENT HAS ENDEMARK LINES IN THE PAPER. HOLD TO LIGHT TO VIEW.



736 F Street · Arcata, California 95521 · 707 822 5951

US BANK
24-Hour Banking
1-800-673-3555

90-2267
1211

209135

PAY

DATE

AMOUNT

EIGHT HUNDRED NINETY-NINE THOUSAND SIX HUNDRED SIXTEEN AND XX / 100

7/20/2012

$899,616.00

Void After 6 Months

TO THE ORDER OF

Resident Owned Parks Inc
7420 Greenhaven Drive
Suite 125
Sacramento, CA 95831

⑈209135⑈ ⑆121122676⑆ 153400905201⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

CITY OF ARCATA 736 F STREET, ARCATA, CA 95521

209135

Check Date: 07/20/2012
Check Amount: 899,616.00

Vendor No: RESID010
Vendor Name: Resident Owned Parks Inc
Vendor Acct No:

Invoice Number	Date	Description	Amount
SRM	07/18/2012	Open P.O. for rehabilitation of Sa	147,200.00
Champion	06/15/2012	Open P.O. for rehabilitation of Sa	704,416.00
RC Transport	07/18/2012	Open P.O. for rehabilitation of Sa	48,000.00

REQUEST FOR MANUAL CHECK

Department Community Development

Date required 07/19/12

Vendor Name Resident Owned Parks, Inc

Check Amount $899,616.00

Reason for manual check:

For the disbursement of funds to ROP for Sandpiper.

Requested by David Loya Date 7/19/12

Department Approval _____ Date 7/19/12

Finance Director Approval _____ Date _____

Please attach to invoice and check request or PO.
Funds may not be available until the next business day.

City of ARCATA

Voucher #

Check #

Date:

Vendor #

Date	Amount of Check	Date to be Issued	ACCOUNT NUMBER(S)
07/19/12	$ 899,616.00	07/19/12	244-30-35-58500

PAY TO THE ORDER OF:
Resident Owned Parks, Inc.

Address:
7420 Greenhaven Drive

City, State, Zip Code:
Sacramento, CA 95831

Attention:

Invoice #:	See attached	$ 899,616.00	244-30-35-58500

Description:

Disbursement of funds to ROP for Sandpiper.

FORWARD CHECK FOR FURTHER PROCESSING TO:
David Loya

Prepared by: Denise Monday

Department Approval

Finance Approval
(only checks in excess of $100,000)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 8/31/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
LINDA SUNDBERG INSURANCE AGENCY
400 G Street
Arcata, CA 95521
0610405

CONTACT NAME:
PHONE (A/C, No, Ext): (707) 822-2421 FAX (A/C, No): (707) 822-4070
E-MAIL ADDRESS: lsi@sundbergagency.com

INSURER(S) AFFORDING COVERAGE	NAIC#
INSURER A: First Specialty Ins. Corp	34916
INSURER B: Diamond State Insurance Co	12890
INSURER C: First Specialty Ins. Corp	34916
INSURER D: State Compensation Ins. Fund	
INSURER E: Westchester/ACE	10172
INSURER F:	

INSURED
G R Sundberg, Inc.

5211 Boyd Road
Arcata, CA 95521
(707) 825-6565

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			IRG55277-3	7/11/2011	7/11/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ excluded $ 1,000,000 $ 2,000,000 $ 2,000,000
B	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			BAP0000736	7/11/2011	7/11/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
C	UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE X DED RETENTION $			IRE55278-3	07/11/2011	7/11/2012	EACH OCCURRENCE AGGREGATE	$ 3,000,000 $ 3,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		690-308-07	1/11/2011	1/11/2012	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $
E	Pollution			G24146406 002	7/11/2011	7/11/2012	1,000,000/2,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Certificate holder included as additional insured as their interest may appear.
10 Day notice of cancellation, non payment of premium
Project: Sandpiper Mobile Home Park
115 S G Street
Arcata, CA 95521

CERTIFICATE HOLDER
Resident Owned Parks, Inc. (ROP)
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Linda Sundberg

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POLICY NUMBER: IRG55277-3

COMMERCIAL GENERAL LIABILITY
CG 24 04 10 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization: Resident Owned Parks, Inc. Project: Sandpiper Mobile HOme Park 115 S G Street, Arcata, CA 95521

ANY PERSON OR ORGANIZATION WHEN YOU AND SUCH PERSON OR ORGANIZATION HAVE AGREED IN WRITING IN A CONTRACT OR AGREEMENT THAT YOU WILL WAIVE ANY RIGHT OF RECOVERY AGAINST SUCH PERSON OR ORGANIZATION

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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First Specialty Insurance Corporation

ENDORSEMENT

This Endorsement Changes the Policy - Please Read it Carefully

PRIMARY AND NON-CONTRIBUTING INSURANCE
(Third-Party)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
RAILROAD PRTOECTIVE LIABILITY COVERAGE FORM

Section IV: **Conditions, Other Insurance**, and all subparts thereof, as contained in the policy is deleted in its entirety and replaced with the following condition as respects the Third Party shown below:

Section IV: Conditions

Other Insurance:

With respect to the Third Party shown below, the insurance provided by this policy shall be primary and non-contributing insurance. Any and all other valid and collectible insurance available to such Third Party in respect of work performed by you under written contractual agreements with said Third Party for a loss covered by this policy, shall in no instance be considered as primary, co-insurance, or contributing insurance. Rather, any such other insurance shall be considered excess over and above the insurance provided by this policy.

The Third Party to whom this endorsement applies is:

Resident Owned Parks, Inc. Project: Sandpiper Mobile HOme Park 115 S. G Street, Arcata, CA 95521

Absence of a specifically named Third Party above means that the provisions of this endorsement apply "as required by written contractual agreement with any Third Party for whom you are performing work."

All other terms and conditions of this policy remain unchanged.

This endorsement is effective on the inception date of the policy unless otherwise stated herein.

Includes copyrighted material of Insurance Services Office, Inc. with its permission
Copyright, Insurance Services Office, Inc. 1994

POLICY NUMBER: IRG55277-3 COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization: Resident Owned Parks, Inc.
Project: Sandpiper Mobile Home Park 115 S. G Street, Arcata, CA 95521

Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

Copyright, Insurance Services Office, Inc., 1984

City of ARCATA

City Manager	Environmental Services	Police	Recreation
(707) 822-5953	822-8184	822-2428	822-7091
Community Development	*Finance*	*Public Works*	*Transportation*
822-5955	822-5951	822-5957	822-3775

736 F Street
Arcata, CA 95521

June 1, 2007

Maurice Priest
President, Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

RE: Sandpiper Mobile Home Park Rehabilitation and Rent Up Plan

Dear Mr. Priest:

This letter is in response to your email dated May 30, 2007 regarding temporarily renting vacant spaces at the Sandpiper Mobile Home Park to new tenants with a trailer, RV, fifth wheel, or other form of housing. Section 10(e) of the Regulatory Agreement states:

> "All rental spaces will be rented to manufactured homes meeting the definition at Section (3)(g) of this Regulatory Agreement."

Section 3(g) of the Regulatory Agreement defines a manufactured home as:

> "…. any type of non-motorized manufactured housing unit (excluding recreational vehicles) that was built after 1976 that meets the definition in 24 CFR 3280 and is connected to permanent electric, water, sewer, and natural gas utility hook-ups."

As per the Regulatory Agreement, only new manufactured homes that meet all HUD Health and Safety regulations are allowed to be moved into the Sandpiper Mobile Home Park.

Any residents, temporary or otherwise, moved into the Park prior to the completion of rehabilitation will trigger compliance with HOME Program relocation regulations. The City would not be responsible for payment of relocation expenses for any resident that ROP may move into the Park in violation of the Regulatory Agreement.

The Park operating proforma anticipated a 5% vacancy loss. In addition, the operating reserves were fully funded prior to the close of escrow. Given the operating reserve status, the preferred solution is to complete the rehabilitation and Park improvements while there are vacancies

within the Park. This will facilitate a timely completion of construction and upgrades. As per Section 2(a) of the Loan Agreement, all improvements shall be completed within one year of the date of the Loan Agreement, which is November 21, 2007. In order to meet this time frame design work must begin soon. City Staff recognizes that the high vacancy rate will affect cash flow, therefore completing the improvements as quickly as possible is imperative.

Once the improvements are completed, new residents with new manufactured homes can quickly be moved into the Park through the City's Home Ownership Program (HOP). Potential residents should be referred to the City to expedite their HOP application. If necessary, the City is willing to loan funds to eligible borrowers through the City HOP to purchase new manufactured homes prior to rehabilitation being completed. However, it has been our understanding that ROP wanted to complete Park improvements prior to bringing new tenants on site.

Section 9(c)(1) of the Regulatory Agreement requires ROP to provide a notice to the Park residents regarding eligibility to form a Homeowners Association. Please send the City a copy of the Homeowners Association Notice sent to the Sandpiper Park residents.

Respectfully,

Larry Oetker
Deputy Director of Redevelopment

Nicole Boyes

From: Maurice A. Priest [rop@att.net]
Sent: Tuesday, October 19, 2010 3:25 PM
To: Nicole Boyes
Subject: Warren & Susan Morton New Contact Info--Sandpiper subordination

Warren & Susan Morton
1872 Todd Road
Lakeport, CA 95453

Ph. 707 263 3138
Cell 707 845 8256
Email: warrensue92@att.net

Maurice A. Priest
President
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831
Phone 916-399-4993
Fax 916-424-2205
E-mail: rop@att.net
Website: www.residentownedparks.com

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: JUN 22 2006

RESIDENT OWNED PARKS INC
% DIANE PRIEST
7420 GREENHAVEN DRIVE STE 125
SACRAMENTO, CA 95831

Person to Contact:
Roger Meyer
ID# 31-07707
Toll Free Telephone Number:
877-829-5500
Employer Identification Number:
30-0053792

Dear Sir or Madam:

This is in response to your request of May 23, 2006, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in July 2002 that recognized you as exempt from Federal income tax. Our records further indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Cindy Westcott

Cindy Westcott
Manager, Exempt Organizations
Determinations

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAY 18 2006

RESIDENT OWNED PARKS INC
980 9TH ST 16TH FLR
SACRAMENTO, CA 95814

Employer Identification Number:
30-0053792
DLN:
17053091873006
Contact Person:
PAULA J MOLL-MALONE ID# 31262
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
509(a)(2)

Dear Applicant:

Our letter dated July 2002, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

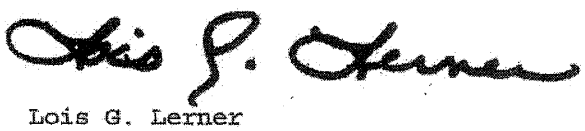
Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS

MOBILEHOME OR RECREATIONAL VEHICLE PARK
GOVERNMENT AGENCY APPROVAL SHEET

NORTHERN AREA OFFICE
9342 Tech Center Drive Suite 550
Sacramento, CA 95826
(916)255-2501

SOUTHERN AREA OFFICE
3737 Main Street, Ste 400
Riverside, CA 92501
(909) 782-4420

This form is for use by applicants for a Department of Housing and Community Development Permit to Construct a mobilehome park, recreational vehicle park or additions/improvements as noted below.

The applicant listed below is applying to the Department of Housing & Community Development (HCD) to construct a project which is located within the City of Arcata. HCD is the enforcement and permit issuing agency for construction within mobilehome/recreational vehicle parks at this location. Prior to issuing any construction permits HCD must be assured that the project has received all required government approvals. Accordingly, HCD has instructed the applicant to obtain signatures from the agencies which are checked below. Comments and conditions of approval may be attached.

If your agency wishes to be contacted prior to final inspection approval please indicate so on the line following your signature. For agencies requesting final review, this form will be re-circulated prior to final inspection for signature confirming that the project is in compliance.

Project name: Sandpiper Mobile Home Park

Project street address: 4115 G Street, Arcata CA 95521

Assessor's Parcel #: 503-224-046

Describe work to be done: Redevelopment of the Sandpiper Mobile Home Park to include 18 new mobile home lots and a future building (laundry, office & 2 apartments). Site improvements include driveways parking, curbs, gutters, sidewalks, and utilities (water, sewer, drainage, electric, gas, phone & cable).

Applicant/owner: Resident Owned Parks, Inc. Phone number: (916) 399-4993

Address: 7420 Greenhaven Drive, No. 125, Sacramento CA 95831

Engineer: Winzler & Kelly

Address: 633 Third Street Eureka CA 95501

Phone number: (707) 443-8326

Contact person: (print) Merritt Perry or Josh Wolf Phone number: (707) 443-8326

Government agencies - NOTE: A permit application cannot be processed without the approval signatures from the agency checked in the left margin boxes.

☐ Planning: x _____ Community Development Director
Signature (your signature here authorizes HCD to issue the permit) Title

x Larry Oetker 707-822-5955 1/6/10
Print name Phone # Date

Upon completion, does your agency want to review the project/site prior to HCD finaling the permit(s)?

Yes X No____ If yes, this form will be recirculated prior to the final for your signature below.

Final approval signature_____ Date_____

☐ Public Works (sewer)

x [signature] Public Works Director
Signature (your signature here authorizes HCD to issue the permit) Title

Doby Class 707-822-5957 11/12/09
Print name Phone # Date

Upon completion, does your agency want to review the project/site prior to HCD finaling the permit(s)?

Yes X No_____ If yes, this form will be recirculated prior to the final for your signature below.

Final approval signature_____ Date_____

☐ Public Works (water)

x [signature] Public Works Director
Signature (your signature here authorizes HCD to issue the permit) Title

Doby Class 707-822-5957 11/12/09
Print name Phone # Date

Upon completion, does your agency want to review the project/site prior to HCD finaling the permit(s)?

Yes X No_____ If yes, this form will be recirculated prior to the final for your signature below.

Final approval signature_____ Date_____

☐ Fire Protection

x_____ Assistant Chief/Fire Marshal
Signature (your signature here authorizes HCD to issue the permit) Title

Desmond Cowan 707 825-2000
Print name Phone # Date

Upon completion, does your agency want to review the project/site prior to HCD finaling the permit(s)?

Yes____ No_____ If yes, this form will be recirculated prior to the final for your signature below.

Final approval signature_____ Date_____

☐ ____:
____

x_____
Signature (your signature here authorizes HCD to issue the permit) Title

_____
Print name Phone # Date

Upon completion, does your agency want to review the project/site prior to HCD finaling the permit(s)?

Yes ___ No____ If yes, this form will be recirculated prior to the final for your signature below.

Final approval signature_____ Date_____

Comments: Permits are required from the City For Sewer, Water & drainage improvements - Add'l Required encroachment permits -

Signature of Applicant _____

Title Maurice Priest, President Date _____

HCD-NAO.20 (11/2005)

City of ARCATA

City Manager	Environmental Services	Police	Recreation
(707) 822·5953	822·8184	822·2428	822·7091
Community Development	Finance	Public Works	Transportation
822·5955	822·5951	822·5957	822·3775

736 F Street
Arcata, CA 95521

June 1, 2007

Maurice Priest
President, Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

RE: Sandpiper Mobile Home Park Rehabilitation and Rent Up Plan

Dear Mr. Priest:

This letter is in response to your email dated May 30, 2007 regarding temporarily renting vacant spaces at the Sandpiper Mobile Home Park to new tenants with a trailer, RV, fifth wheel, or other form of housing. Section 10(e) of the Regulatory Agreement states:

> "All rental spaces will be rented to manufactured homes meeting the definition at Section (3)(g) of this Regulatory Agreement."

Section 3(g) of the Regulatory Agreement defines a manufactured home as:

> "…. any type of non-motorized manufactured housing unit (excluding recreational vehicles) that was built after 1976 that meets the definition in 24 CFR 3280 and is connected to permanent electric, water, sewer, and natural gas utility hook-ups."

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The Park operating proforma anticipated a 5% vacancy loss. In addition, the operating reserves were fully funded prior to the close of escrow. Given the operating reserve status, the preferred solution is to complete the rehabilitation and Park improvements while there are vacancies

within the Park. This will facilitate a timely completion of construction and upgrades. As per Section 2(a) of the Loan Agreement, all improvements shall be completed within one year of the date of the Loan Agreement, which is November 21, 2007. In order to meet this time frame design work must begin soon. City Staff recognizes that the high vacancy rate will affect cash flow, therefore completing the improvements as quickly as possible is imperative.

Once the improvements are completed, new residents with new manufactured homes can quickly be moved into the Park through the City's Home Ownership Program (HOP). Potential residents should be referred to the City to expedite their HOP application. If necessary, the City is willing to loan funds to eligible borrowers through the City HOP to purchase new manufactured homes prior to rehabilitation being completed. However, it has been our understanding that ROP wanted to complete Park improvements prior to bringing new tenants on site.

Section 9(c)(1) of the Regulatory Agreement requires ROP to provide a notice to the Park residents regarding eligibility to form a Homeowners Association. Please send the City a copy of the Homeowners Association Notice sent to the Sandpiper Park residents.

Respectfully,

Larry Oetker
Deputy Director of Redevelopment

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Lewis Holst **Space: 1**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

The actual close of escrow is expected to occur in December 2006. ROP will be contacting mobilehome residents of the park in January 2007 to offer long term written leases to homeowners. Thirty year leases will not impact your space rent payment in any manner, but the leases will enable the City to offer First Time Home Buyer assistance to qualified homeowners who may wish to replace their current homes with a new home.

Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Betty Williams **Space: 2**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

The actual close of escrow is expected to occur in December 2006. ROP will be contacting mobilehome residents of the park in January 2007 to offer long term written leases to homeowners. Thirty year leases will not impact your space rent payment in any manner, but the leases will enable the City to offer First Time Home Buyer assistance to qualified homeowners who may wish to replace their current homes with a new home.

Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 12, 2007

Sally Burnham
115 G Street, Space 3
Arcata, California 95521

Dear Ms. Burnham:

On November 20, 2006, we sent a letter to you with several forms to complete and a request for specific documentation. In that letter, we explained that we were required by HCD and the City of Arcata to obtain income certification information from residents at Sandpiper Park. You have not returned those forms or the requested information.

I am re-sending to you a copy of the form we previously asked you to complete, as well as the list of documents we will need you to provide to our office no later than January 26, 2007. Pursuant to our Regulatory Agreement with the City of Arcata, if you do not provide the items requested by that date, we will be unable to certify your household income and your space rent will be assessed at $410 per month beginning May 1, 2007.

Thank you.

Sincerely,

Diane Priest
Property Manager

Enclosures

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Sally Burnham **Space: 3**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

The actual close of escrow is expected to occur in December 2006. ROP will be contacting mobilehome residents of the park in January 2007 to offer long term written leases to homeowners. Thirty year leases will not impact your space rent payment in any manner, but the leases will enable the City to offer First Time Home Buyer assistance to qualified homeowners who may wish to replace their current homes with a new home.

Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

November 20, 2006

Sp #4

TO: All Sandpiper Residents

Dear Resident:

Pursuant to the requirements of HCD and City of Arcata, the following page is a list of items that all residents are required to provide with regard to income certification. This is the same list that will be required on a yearly basis to any resident wishing to remain on a low income rent structure. If you do not provide the items requested, we will be unable to certify your household.

Due to the confidential nature of this information, please be assured all information will be kept in my Sacramento office only and will be given only to the state and city agencies who require that we maintain this information.

Please go over the list carefully and mail a copy of each requested document to my office as soon as possible. It is important that we receive your documents soon, so please make sure to put them in the mail no later than December 1st. Thank you.

Sincerely,
Diane Priest
Property Manager

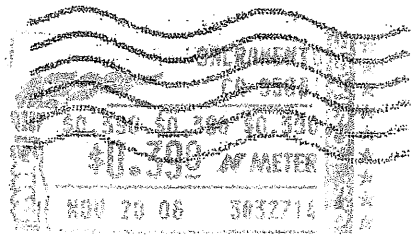
Enclosures

Isaac,
This came back because I didn't have the "#33" part of your address.
I know you want be able to return these docs to us by 12/1 -- but please try and get them to us by 12/5 or as soon as possible.
Thanks!

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, California 95831

SACRAMENTO CA 957
20 NOV 2006 PM 3 L



ISAAC SANDERS
12425 S.E. RIVER #33
MILWAUKIE OR 97222

503-
593-8877

NIXIE 970 1 00 11/23/06
RETURN TO SENDER
INSUFFICIENT ADDRESS
UNABLE TO FORWARD
BC: 95631515425 *1441-03018-20-40

97222+8074

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Isaac Sanders **Space: 4**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

The actual close of escrow is expected to occur in December 2006. ROP will be contacting mobilehome residents of the park in January 2007 to offer long term written leases to homeowners. Thirty year leases will not impact your space rent payment in any manner, but the leases will enable the City to offer First Time Home Buyer assistance to qualified homeowners who may wish to replace their current homes with a new home.

Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Paul Benson **Space: 5**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

The actual close of escrow is expected to occur in December 2006. ROP will be contacting mobilehome residents of the park in January 2007 to offer long term written leases to homeowners. Thirty year leases will not impact your space rent payment in any manner, but the leases will enable the City to offer First Time Home Buyer assistance to qualified homeowners who may wish to replace their current homes with a new home.

Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 12, 2007

Laura Walton
115 G Street, Space 6
Arcata, California 95521

Dear Ms. Walton:

On November 20, 2006, we sent a letter to you with several forms to complete and a request for specific documentation. In that letter, we explained that we were required by HCD and the City of Arcata to obtain income certification information from residents at Sandpiper Park. You have not returned those forms or the requested information.

I am re-sending to you a copy of the form we previously asked you to complete, as well as the list of documents we will need you to provide to our office no later than January 26, 2007. Pursuant to our Regulatory Agreement with the City of Arcata, if you do not provide the items requested by that date, we will be unable to consider a reduction of your noticed rent, and your space rent will remain at the noticed amount of $410.00 per month.

Thank you.

Sincerely,

Diane Priest
Property Manager

Enclosures

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Laura Walton **Space: 6**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Lester Cook **Space: 7**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

The actual close of escrow is expected to occur in December 2006. ROP will be contacting mobilehome residents of the park in January 2007 to offer long term written leases to homeowners. Thirty year leases will not impact your space rent payment in any manner, but the leases will enable the City to offer First Time Home Buyer assistance to qualified homeowners who may wish to replace their current homes with a new home.

Sincerely,

Warren & Susan Morton

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Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 12, 2007

Jeremy Thompson
115 G Street, Space 8
Arcata, California 95521

Dear Jeremy:

Thank you for providing the requested income certification information to our office. We have now had an opportunity to review your documented low income and we have conferred with the City of Arcata to make sure that ROP is in compliance with the Regulatory Agreement.

I am pleased to advise you that you are to disregard the noticed rent increase to $310 to commence February 1, 2007, and instead, your rent on that date will be $259 per month.

Sincerely,

Diane Priest
Property Manager

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Jeremy Thompson **Space: 8**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 310.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Stephen Cotton **Space: 9**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Blaine Nicolls **Space: 10**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: James Clark **Space: 11**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

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Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 12, 2007

Ross Radcliffe
115 G Street, Space 12
Arcata, California 95521

Dear Ross:

Thank you for providing the requested income certification information to our office. We have now had an opportunity to review your documented low income and we have conferred with the City of Arcata to make sure that ROP is in compliance with the Regulatory Agreement.

I am pleased to advise you that you are to disregard the noticed rent increase to $310 to commence February 1, 2007, and instead, your rent on that date will be $259 per month.

Sincerely,

Diane Priest
Property Manager

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: B. Ross Radcliffe **Space: 12**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 310.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 15, 2007

Wes Owen
115 G Street, Space 13
Arcata, California 95521

Dear Mr. Owen:

On November 20, 2006, we sent a letter to you with several forms to complete and a request for specific documentation. In that letter, we explained that we were required by HCD and the City of Arcata to obtain income certification information from residents at Sandpiper Park. You have not returned those forms or the requested information.

I am re-sending to you a copy of the form we previously asked you to complete, as well as the list of documents we will need you to provide to our office no later than January 26, 2007. Pursuant to our Regulatory Agreement with the City of Arcata, if you do not provide the items requested by that date, we will be unable to consider a reduction of your noticed rent, and your space rent will remain at the noticed amount of $410.00 per month.

Thank you.

Sincerely,

Diane Priest
Property Manager

Enclosures

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Wes Owen **Space: 13**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

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Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 12, 2007

Kamryn Merrill
115 G Street, Space 14
Arcata, California 95521

Dear Kamryn:

Thank you for providing the requested income certification information to our office. We have now had an opportunity to review your documented low income and we have conferred with the City of Arcata to make sure that ROP is in compliance with the Regulatory Agreement.

I am pleased to advise you that you are to disregard the noticed rent increase to $340 to commence February 1, 2007, and instead, your rent on that date will be $259 per month.

Sincerely,

Diane Priest
Property Manager

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Kamryn Merrill **Space: 14**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 340.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Garry Tolen **Space: 15**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

#16

115 G St, #16
Arcata, CA 95521

Thursday, January 25, 2007

Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

Dear Ms. Priest:

Thank you for your hard work in the Sandpiper Park project. I have received your letter of January 12, and I do not wish to be income-certified. I understand that my space rent will increase to $410 on May 1.

Sincerely,

Leah Kruley

Leah Kruley

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 12, 2007

Leah Kruley
115 G Street, Space 16
Arcata, California 95521

Dear Ms. Kruley:

On November 20, 2006, we sent a letter to you with several forms to complete and a request for specific documentation. In that letter, we explained that we were required by HCD and the City of Arcata to obtain income certification information from residents at Sandpiper Park. You have not returned those forms or the requested information.

I am re-sending to you a copy of the form we previously asked you to complete, as well as the list of documents we will need you to provide to our office no later than January 26, 2007. Pursuant to our Regulatory Agreement with the City of Arcata, if you do not provide the items requested by that date, we will be unable to certify your household income and your space rent will be assessed at $410 per month beginning May 1, 2007.

Thank you.

Sincerely,

Diane Priest
Property Manager

Enclosures

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Leah Kruley **Space: 16**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

The actual close of escrow is expected to occur in December 2006. ROP will be contacting mobilehome residents of the park in January 2007 to offer long term written leases to homeowners. Thirty year leases will not impact your space rent payment in any manner, but the leases will enable the City to offer First Time Home Buyer assistance to qualified homeowners who may wish to replace their current homes with a new home.

Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Steven Kastner **Space: 17**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 15, 2007

SANDPIPER PARK — NOTICE OF RENTAL INCREASE

TO: NANCY ROBERTS SPACE: 18

Pursuant to Civil Code section 798.30, notice is hereby given that, effective May 1, 2007, the space rent for your space at Sandpiper Park will increase to $410.00 per month.

Because your home at Sandpiper Park is a second home, and because we have not received the income certification information which we have previously requested from you, notice is hereby given that, effective May 1, 2007, the space rent for your space at Sandpiper Park will increase to $410 per month.

This notice is being given so that we will be in compliance with ROP's Regulatory Agreement with the City of Arcata.

This will also confirm that in conversations with our office, you have advised us that you wish to sell your fifth wheel currently occupying Space 18 at Sandpiper Park. It is important that you advise any prospective buyers of your fifth wheel that they must apply for tenancy at Sandpiper Park, and that in the very near future the fifth wheel would need to be removed from the park so that residents can upgrade to new park models with financial assistance from the City of Arcata.

Sincerely,

Diane Priest
Property Manager

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Nancy Roberts **Space: 18**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 340.00.

We want to thank you for your support of the purchase of Sandpiper Park by nonprofit ROP. On November 1, 2006, the City Council of the City of Arcata approved financial support of ROP's nonprofit purchase which has enabled ROP to maintain affordable rents in the mobilehome park. Because of the City's financial support, future rental increases will not exceed 3% per year.

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Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation
Property Management Division

January 15, 2007

Leander & Donna Lester
115 G Street, Space 19
Arcata, California 95521

Dear Mr. & Mrs. Lester:

On November 20, 2006, we sent a letter to you with several forms to complete and a request for specific documentation. In that letter, we explained that we were required by HCD and the City of Arcata to obtain income certification information from residents at Sandpiper Park. You have not returned those forms or the requested information.

I am re-sending to you a copy of the form we previously asked you to complete, as well as the list of documents we will need you to provide to our office no later than January 26, 2007. Pursuant to our Regulatory Agreement with the City of Arcata, if you do not provide the items requested by that date, we will be unable to consider a reduction of your noticed rent, and your space rent will remain at the noticed amount of $410.00 per month.

Thank you.

Sincerely,

Diane Priest
Property Manager

Enclosures

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Leander & Donna Lester **Space: 19**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 410.00.

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Sincerely,

Warren & Susan Morton

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RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

NOVEMBER 2, 2006

SANDPIPER PARK—NOTICE OF RENTAL INCREASE

To: Robert Hurney **Space: 20**

Pursuant to Civil Code Section 798.30, notice is hereby given that effective February 1, 2007, the space rent for your space at Sandpiper Park will increase to $ 259.00.

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Sincerely,

Warren & Susan Morton

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City of ARCATA

City Manager	Environmental Services	Police	Recreation
(707) 822·5953	822·8184	822·2428	822·7091
Community Development	*Finance*	*Public Works*	*Transportation*
822·5955	822·5951	822·5957	822·3775

736 F Street
Arcata, CA 95521

January 17, 2013

Arcata, California

MINUTE ORDER

The following is a certified copy of a portion of the proceedings of a meeting of the Board of Directors of the Successor Agency to the Community Development Agency of the City of Arcata held on January 16, 2013:

OLD BUSINESS—1. Consider Direction from the Oversight Board of the Successor Agency and Appropriate Funds Necessary to Complete the Sandpiper Project. Deputy Director of Community Development Loya distributed copies of Resolution No. 2012/13-05 adopted by the Oversight Board of the Successor Agency to the Arcata Community Development Agency for the Agency Board's information. He explained that this item is relative to the City's, Successor Agency's and Oversight Board's efforts to comply with the State Department of Finance's (D.O.F.) determination that the City must remit $2.4 million to the County Auditor/Controller. He said that of that $2.4 million, approximately $1.86 million was money transferred to the City for the Sandpiper project. He stated that the Department of Finance did not agree that the loan to Sandpiper was an enforceable obligation and that the City was responsible for paying back those funds. He said the Successor Agency must make diligent efforts to recover funds transferred to private parties, and ultimately the City of Arcata will be liable for any funds not recovered through this process. Deputy Director Loya stated that on January 9, 2013, the City formalized discussions it had been having with Resident Owned Parks, the owner of Sandpiper Mobilehome Park, related to the Department of Finance's determination via a letter indicating that the Successor Agency is initiating diligent efforts to recover those funds. He said the letter requested specific information on how much money is necessary to complete the project. Deputy Director Loya said that on January 11, 2013, the Oversight Board of the Successor Agency considered Resolution No. 2012/13-05 indicating its determination of what should be done with respect to this issue. He said there are many ideas of how to resolve the fact that the project is 95% complete in construction of the improvements, all the units are on site, the three-unit apartment/office/laundry building is almost completed, and yet the property is fenced off. He said the Department of Finance's determination instilled uncertainty which led to the contractors placing liens on the property, which then prompted the private lender for any purchasers to cancel the contract it had at the time and not issue any more contracts. He explained that the Oversight Board reasoned that the quickest way to resolve this current situation is to get the money back out of the project. He reminded the Board that the June 2012 loan amendment authorized purchase of all 16 units, and once those 16 units are sold, there will be a return to the City of $958,000 which can be used to partially pay

down the demand for the $2.4 million. Deputy Director Oetker explained that the Successor Agency staff sees this as the most expeditious way to comply with the Department of Finance's determination, and that it will require action by both the Successor Agency Board and the City Council because the City is currently in possession of the pertinent funds. He noted that the accompanying action for the City Council's consideration is on this evening's City Council Consent Calendar. Deputy Director Loya said staff is requesting the Successor Agency Board authorize the minimum loan disbursements necessary to complete the project, which consists of invoices as of yet unpaid in the amount of $194,309.15 and the $380,660.23 necessary to complete the project. Further, the Agency Board is requested to direct staff to remit to the County Auditor/Controller the unneeded loan proceeds committed to the project in the amount of $182,151.00. He said staff is hoping this will remove the mechanics' liens from the project, allow the bank to re-establish its lending on the project, and start the cash flow that will ultimately result in the receipt of $958,000 which can be redistributed to the taxing entities in compliance with the Department of Finance's directions.

On inquiry by Boardmember Winkler, Finance Director Luzzi said the funds are located within the City's government general pooled cash account on the City's side because they were transferred to the City from the redevelopment agency in March 2011. Staff's recommendation is to transfer the money to the Successor Agency which will then disburse the funds.

Chairperson Brinton asked Agency Attorney Diamond to briefly address what legal risks may be associated with transferring the funds. He summarized his understanding of the situation which is that the City has funds it could send to the state, but will have even more funds later if it uses these funds to pay off the invoices and complete the project.

Agency Attorney Diamond said at this point the D.O.F. is probably not looking at the project any more. She said the Agency has 60 days to remit the funds to the County Auditor/Controller, and during those 60 days, under state law, the Agency is obligated to make diligent efforts to recover moneys that have been transferred to third parties. She said that in her opinion, the recommended action is a diligent effort because there will be more money available then if the Agency did not put the funds toward completing the project. She said she recognizes that the Agency could send over what it has on hand and say there isn't any more, but there is this time period where the Agency is obligated to recover funds. She said this is the only method available to recover funds. She noted that she has not seen precedent anywhere else in the state for this argument, but it is really the only economically viable argument to make.

On inquiry by Boardmember Ornelas, Agency Attorney Diamond explained that the Agency Board members would not be personally liable. She explained that the Board should be mindful of why it is continuing to fund the project. She said it would be one thing to continue to fund the project because the Board wants to get the money back to put to its own purposes. That would be willful disobeyance of the D.O.F.'s

determination. However, in this case, the desire to advance the funds is to recover more funds and she believes this is a layer of protection against the standard of willfully withholding the funds. She said she can't promise anything, but she thinks both the Successor Agency Board and the City Council are immunized from personal liability on these types of decisions if the decisions are well-reasoned and not made for self-serving purposes.

Chairperson Brinton invited public comment.

Maurice Priest, President of Resident Owned Parks, Inc. (R.O.P.), owner and developer of Sandpiper Mobilehome Park, appeared before the Agency Board and commented on the Board's concern about the legality and liability issues. He said the same state law that sought to return to the state uncommitted redevelopment funds for projects that were not under contract, provides that the Successor Agencies have the authority to complete obligated projects which have been under contract so that those funds can be properly utilized. He said that as the President of R.O.P., he entered into contracts with the redevelopment agency obligating R.O.P. to repay funds that would be used for the development of Sandpiper Mobilehome Park as early as 2007. He said he signed other agreements in 2010. Those contracts predate, by a longshot, the recent state law seeking to recover uncommitted, unobligated funding. He urged the Agency Board to take the action recommended by the Oversight Board which has determined that there are clear obligations for this funding. He said that if the Agency Board takes action tonight, the Agency will be able to immediately remit $182,151 to the County Auditor/Controller, and the completion of the project will generate another $958,400 which will also be remitted. He said that by completing the project in compliance and good faith with the state law, the Agency will be able to return approximately $1,140,000 of the funding which the state seeks.

Lauraine Leblanc, a resident of Sandpiper Mobilehome Park, appeared before the Agency Board and said she moved into her unit on December 1, 2012, and is the first homeowner. She explained that she came to Arcata over five years ago and started a business. Since then, she has worked for non-profit agencies and the *Arcata Eye.* She explained that she thought she would never be able to own a home in Arcata, and when the Sandpiper units became available, she wanted to purchase one but was not able to obtain a mortgage. Eventually, with a small inheritance and assistance from her mother, she was able to buy one of the units in Sandpiper and is now a homeowner in Arcata. She said the home is really tiny, but well made and in a great location. She declared she would love to see the Sandpiper Park completed and the units occupied. She said she is committed to this park because the City is committed to it, and they thought the state was committed to it. She stated her gratefulness to R.O.P. and the City for all the work they have done.

Greg Pierson, President of Pierson Company, appeared before the Agency Board and said his company is building the two-story apartment/office/laundry building. He stated it is an unfortunate situation that the City, the Successor Agency, and now his company is in.

He said there is only about $70,000 worth of work to be done on the building to make it usable, and his company would very much like to finish this work. He said he was forced to put a lien on the project, and that complicates sale of the units, etc., but he had to protect his interests. He said that if the Successor Agency Board sees fit to disburse the funds to pay the contractors, he will remove his lien the same day and get back to work. He said that his company likes to see projects completed and communities improved, so he would appreciate the Agency Board making the funds available.

Randy Sundberg, President of G.R. Sundberg, Inc., a local contractor working on the Sandpiper project, appeared before the Agency Board and said his company bid on this job in July 2010 and stuck with it after it got held up for over a year by the Coastal Commission. He requested the Successor Agency Board take the action necessary to complete the project and pay all the outstanding invoices. He said he understands the tough position the Agency is in, but he has materials, men, subcontractors and other bills to pay. He said his company is owed $232,000 to date and that includes the retention that is owed on the project. He noted that this invoice is three weeks overdue, so he was forced to start the lien process to protect his interests, which will further complicate the sale of the homes. He urged the Successor Agency Board to consider the direction of the Oversight Board and appropriate the funds necessary to complete the project.

Paul Pitino, a resident of Arcata, appeared before the Agency Board and said this project is in his neighborhood. He stated he has been watching it carefully and the entire neighborhood is excited for the project to move ahead. Speaking as a neighbor, he encouraged the Agency Board to move ahead on the project and complete it.

Kent Sawatzky, a resident of Blue Lake, appeared before the Agency Board and asked where the money is coming from eventually in the long-term. He asked if the Board is robbing Peter to pay Peter. He asked if the City will have to scale back something else. He suggested that perhaps now is the time to get money from other places and pay people.

Kash Boodjeh, a resident of Arcata, appeared before the Agency Board and said he believes there are 30 days left since the 60-day time period began on December 15, 2012. He pointed out that the Agency will not have the results of the review of the Other Assets Due Diligence Report (D.D.R.) until April. He urged the Agency Board to pay the contractors to remove the liens, but not put additional funds into the project until after the Other Assets Due Diligence Report is reviewed. He noted that the Other Assets D.D.R. is the same as the Housing D.D.R. which was just rejected by the Department of Finance. He pointed out that there are 16 potential residents of Sandpiper Park, but there are 17,000 residents in Arcata that are facing cuts to their services.

Chairperson Brinton closed the public comment period.

Boardmember Wheetley said he is fully in support of moving forward with this project. He said he sees no other way at this point to recapture the funds the Agency will get out of this project, and be able to meet its obligations and use those proceeds to pay to the state. He noted that this was a good project when the City supported it and that hasn't changed. He said the City inherited this situation during the last cycle when the State decided to end redevelopment, and Arcata is not alone as many cities across the state are in the same situation, many of which have entered into litigation. He said he thinks there is sound reason to complete this project, especially considering its current level of completion.

Deputy Director Loya said it is important to recognize that the D.O.F.'s determination was made on the two amendments to the contract, in September 2011 and June 2012, after the cut-off date of June 28, 2011. He noted that the October 2010 loan agreement, which it is agreed is an enforceable obligation, has a provision that the operational costs of the project will be funded out of the loan proceeds until the project is fully leased out. He noted that if the project does not get completed and leased out, there is still an obligation to pay the operational costs of $5,000 a month for the term of the loan or until the operational costs cease. He spelled out that the alternatives are to complete the project, get it leased out and fulfill the 2010 obligation, or keep paying the $5,000 a month.

Boardmember Winkler said he agrees this is the most prudent and expeditious way to return money to the County. Also, to do nothing would be the worst, and just paying the contractors would still leave an uncompleted project that would become an eyesore. He declared he couldn't support that outcome. He stated that he supports the path to expend the money to pay the contractors and complete the project.

Boardmember Ornelas concurred that the project should be completed. She said that at this point this recommendation makes the most sense, and since the project is so very close to being done, it might as well be a nice place. She acknowledged the concerns about where the money will come from, and said this is something we will have to think about as a community. She said she believes staff did its best to keep the Agency Board and the City Council abreast of information, and that there has been no ill will in this as everyone has had the best intentions. She affirmed that the City and the community really want to have affordable housing in Arcata.

Boardmember Stillman said she supports completion of the project, and would not want to just pay the contractors without completing the project. She stressed that it is important to finish the project and get the homes sold. She stated she feels the homes will sell quickly.

Chairperson Brinton echoed the statements of the rest of the Board and said he believes this is the best choice the Agency Board can make right now to effectively comply with the D.O.F.'s determination. He declared this is what must be done to get the most money to send to the County Auditor/Controller for redistribution. Also, this is the right step to take for the contractors, and the purchasers of the homes.

Boardmember Wheetley noted that the state passes on a lot of mandates to local government, and Arcata has met the state's mandates for affordable housing. He stated that this project is consistent with the values of the community and consistent with the state's affordable housing mandates. He said that for the state to reverse course and suddenly decide this is not the type of project it wants, is not where Arcata is at as a community.

ON MOTION BY WHEETLEY, SECONDED BY STILLMAN, AND WITH A UNANIMOUS VOICE VOTE, THE AGENCY BOARD DIRECTED STAFF TO MAKE THE MINIMUM LOAN DISBURSEMENTS NECESSARY TO COMPLETE THE PROJECT ALLOWING OCCUPANCY AND SALE OF THE UNITS TO PROVIDE CASH FLOW TO RECOVER THE LOAN PROCEEDS, DIRECTED STAFF TO REMIT THE UNNEEDED LOAN PROCEEDS TO THE HUMBOLDT COUNTY AUDITOR/CONTROLLER, AND TAKE ANY OTHER ACTIONS AS REQUIRED. AYES: BRINTON, WHEETLEY, ORNELAS, STILLMAN, WINKLER. NOES: NONE. ABSENT: NONE. ABSTENTIONS: NONE.

CLERK'S CERTIFICATE

I do hereby certify that the foregoing is a true and correct copy of a portion of the proceedings of the Board of Directors of the Successor Agency to the Community Development Agency of the City of Arcata held in the City of Arcata, State of California, County of Humboldt, on the 16th day of January, 2013.

Bridget Dory

Deputy City Clerk
City of Arcata

Community Development Services Department
736 F Street, Arcata, CA 95521 (707) 822-5955

SANDPIPER MOBILE HOME PARK
115 SOUTH G STREET
ARCATA CA 95521

ENVIRONMENTAL ASSESSMENT (NEPA) AND CEQA EXEMPTION SUPPORT

JANUARY 5, 2010

PROJECT OWNERS/APPLICANTS: Resident Owned Parks and
The City of Arcata
736 F Street
Arcata, CA 95521
Phone (707) 822-5951
Fax (707) 822-8018

PROJECT LOCATION/APN: APN: 503-224-046
115 South G Street
Arcata 95521

PREPARED BY: Streamline Planning Consultants
1062 G Street, Suite I
Arcata, CA 95521
Phone (707) 822-5785
Fax (707) 822-5786

GENERAL PLAN DESIGNATION: R-M
RESIDENTIAL – MEDIUM DENSITY

ZONING DESIGNATION LUDG: RM
RESIDENTIAL – MEDIUM DENSITY

LEAD AGENCY/CONTACT: City of Arcata Planning Division
(707) 822-5955 FAX: 822-8018

1. PURPOSE AND NEED

The purpose of this project is to provide suitable housing, through the replacement and rehabilitation of the existing Sandpiper Mobile Home Park, for income limited residents. This project provides an opportunity for first-time home buyer assistance, a recognized housing need within the City of Arcata (City of Arcata Housing Needs Assessment, 2007).

2. PROJECT DESCRIPTION / SETTING:

The proposed project, rehabilitation of the Sandpiper Mobile Home Park, will result in the subsequent rehabilitation of the park on APN: 503-224-046. The project will include paving, landscaping, water, power, sewer, and other utility hook-up linkages from the infrastructure main lines to the home sites; and other activities that are associated with the improvement of mobile home sites in preparation for new mobile home purchases. Required utility lines will be replaced as a part of this project. However the entire site has previously been graded and improved, with roads and standard utilities installed.

The City may utilize funds from the following sources to achieve the rehabilitation of twenty-one units, twenty mobile home sites and one wood structure apartment: HOME program income reuse funds, Redevelopment Agency funds, CDBG Program Income.

The proposed project is rehabilitation of the Sandpiper Mobile Home Park and First Time Homebuyer Assistance to low-income borrowers to purchase new manufactured homes. More than 4 units will be assisted with FTHB loans in the Park. Currently the Park has aging utility infrastructure, manufactured home pedestals, and is being rented to 5th-wheel RVs. There is an existing building on the southwest corner of the property, which houses the office, laundry, and rental apartment. The apartment is currently vacant, and only approximately 40 – 50% of the mobile home spaces are occupied. The City assisted the non-profit, Resident Owned parks, to acquire the Park in 2007. Prior to the acquisition, City Staff completed a NEPA review for the Acquisition/ Rehabilitation of the Park. At that time, there were no plans to alter the existing building. Since the acquisition, the plans for the Park have been revised, and are now proposed to include demolition of the existing building and reconstruction of a new building on the northwest corner of the property. The revised plans require a new NEPA analysis, to include the reconstruction of the building. The rehabilitation will include:

1. Demolition of the building
2. Construction of a new building, to include an office, laundry, and 2 efficiency apartments on the second floor.
3. Adding fill to the property to raise the base elevation
4. Modifying the existing sidewalks to include roller curbs on the south and east boundary, for access to driveways, and installation of a culvert on the west boundary to allow driveways over the drainage swale
5. Replacement of utility lines (gas, electric, water)
6. Replacement of home pedestals
7. Landscaping
8. FTHB loans to more than 4 borrowers to purchase new manufactured homes in the Park.

3. LOCATION / SETTING:

The property located southwest corner of South G and H Streets in the City of Arcata and is currently in use as a mobile home park. The lot is 29,631 ft" or .68 acres in size. The site has been used as a mobile home park and the current usage will continue after the renovations are complete.

The parcels adjacent to the project area are designated Residential Medium Density with the properties to the west designated as Industrial Commercial (I-C). There is a strong residential presence in this area as well as a number of commercial and industrial uses in the vicinity. The Arcata Marsh and Wildlife Sanctuary, as well as the southern reaches of Jolly Giant Creek, is located to the west, across the street and outside of the project boundaries. The creek previously caused a variety of flooding and drainage issues at this site including stormwater retention and sidewalk flooding, which are being addressed by the City before this project began. Site improvements and site design as part of this project will help reduce these drainage impacts to residents of the Sandpiper Mobile Home Park.

4. PROCEDURAL BACKGROUND

NEPA

This multi-family housing rehabilitation qualifies for a NEPA *Finding of No Significant Impact* (FONSI) based on findings made per 24 CFR sections 58.4 and 58.5. A full range of environmental categories were reviewed as part of the Statutory Checklist (24 CFR part 58.5) the Environmental Analysis Checklist (24 CFR part 58.4). No additional conditions or mitigations measures are required. The following *Project Analysis* provides support for this finding.

CEQA

This project also qualifies for a CEQA exemption per sections 15302 and 15332 of the CEQA Guidelines as described below and is not subject to any of the exclusions per CEQA Guidelines Section 15300.2.

15302. Replacement or Reconstruction

Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to:

(a) Replacement or reconstruction of existing schools and hospitals to provide earthquake resistant structures which do not increase capacity more than 50 percent.

(b) Replacement of a commercial structure with a new structure of substantially the same size, purpose, and capacity.

(c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

(d) Conversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior to the undergrounding.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15332. In-fill Development Projects

Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.

(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

(c) The project site has no value as habitat for endangered, rare or threatened species.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

(e) The site can be adequately served by all required utilities and public services.

Note: Authority cited: Section 21083, Public Resources Code. Reference: Section 21084, Public Resources Code.

The proposed exterior improvements are subject to the City's Design Review process, which will provide the City with an opportunity for discretionary review of specific development proposals. The proposed development is consistent with the City's policies of encouraging the conversion and reuse of inactive or abandoned commercial sites. This project is in compliance with City policies and regulations protecting public health and safety and the environment. The analysis in this report includes references to many policies of the Arcata General Plan: 2020 that are consistent with, or supported by this application. The project has been reviewed under the General Plan:2020 PEIR. Since this project is located in the Coastal Zone, it can also be found to be consistent with the policies in the City of Arcata Local Coastal Plan and Land Use and Development Guide. Lastly, as design approval is subject to the CA Division of Codes and Standards, it will be constructed consistent with applicable standards.

SEE ADDITIONAL PROJECT DESCRIPTION DETAIL UNDER EACH SECTION OF THIS REPORT.

5. ENVIRONMENTAL SETTING AND ANALYSIS

I. AESTHETICS

The City has a discretionary design review process intended to consider visual impacts of proposed new structures. General Plan design policies protect the visual character of the site by requiring exterior building and site improvements to be consistent with surrounding. Project details listed above, as well as application materials have been provided to support the following NEPA/CEQA findings.

II. AGRICULTURE RESOURCES

Site soils have historically been disturbed and paved over and are classified as urban soils. Prior to this time the site was used for residential purposes and surrounded by a mixture of residences and commercial businesses. No agricultural uses have occurred at this location or near it for at least 60 years (1947 aerial photo). No farmland is affected by this project and no farmland or agricultural zones are indentified in this area by the City of Arcata Land Use and Development Guide (LUDG) or the City of Arcata General Plan and Zoning Map.

III. AIR QUALITY

The climate of Arcata is temperate with the predominant weather factor being moist air masses from the ocean that moderates the temperatures. Average annual rainfall in the area is approximately 40 inches, with the majority falling between October and April. Predominate wind direction is typically from the northwest during summer months, but from the southwest during storm events occurring during winter months. No air pollutants are currently produced on site.

Air quality in the City of Arcata is regulated by the North Coast Unified Air Quality Management District (NCUAQMD). This district currently meets all state and federal air quality standards except it is classified as non-attainment (exceeding maximum limits) for California Ambient Air Quality Standards for airborne particles that are ten microns in diameter and smaller (PM-10). Air quality standards are only exceeded a few days a year under certain weather and burning conditions. Air quality in the region has been steadily improving.

As required by the California Clean Air Act, the NCUAQMD adopted an attainment plan in 1995 to identify major PM-10 sources and develop and implement control measures to meet state ambient air quality standards. The NCUAQMD's attainment plan established goals to reduce PM-10 emissions and eliminate the number of days in which standards are exceeded. The plan includes three areas of recommended control strategies to meet these goals: transportation, land use and burning. Control measures for these areas are included in the Attainment Plan and have also been incorporated as policies in the Arcata General Plan: 2020.

The NCUAQMD's Regulation 1 prohibits nuisance dust generation, such as that generated by construction activity. The City's standard condition for controlling dust emissions during construction (General Plan Policy AQ-2f (1-5), for construction sites less than four acres), is enforceable through the building permit process and will minimize impacts from construction dust.

The proposed project does not propose uses that have these types of emissions. If any future use proposed will generate regulated emissions, it will be required to obtain the proper

permits from the NCUAQMD and the City of Arcata as part of any future building permit or business license approvals, consistent with General Plan Policy AQ-1d.

AQ-1d Review of development projects for emissions reductions. Evaluate new construction plans to reduce point and area sources of pollution. Consult with the NCUAQMD during the environmental review process to ensure that:

1. Air quality impacts of development projects are assessed using analytical methods and significance criteria for emission rates approved by the NCUAQMD.
2. Air quality mitigation is feasible, workable, monitorable, and cost effective.
3. Impacts of projects that may be individually insignificant, but cumulatively significant are minimized or mitigated.
4. Innovative measures are incorporated into the project design to reduce air quality impacts.

Automobile traffic is another source of PM-10 pollution. General Plan Policy AQ-2a (*Implement land use measures to reduce vehicle trips, miles travels, and air pollutant emissions*) encourages the implementation of land use measures to reduce vehicular emissions as outlined in the Transportation Element. These have been implemented into the project. The project will not generate significant mobile sources of pollutants. This is verified by NCUAQMD Eureka office, Debra Harris.

IV. BIOLOGICAL RESOURCES

The property currently consists of an existing mobile home park with long term residents utilizing the property. The entire site has been disturbed by previous development and no natural/native habitat exists on the site. No endangered species will be affected by this project, as there is no available habitat for those species listed in the California Natural Diversity Database as verified as part of a field visit by a qualified biologist.

The Arcata General Plan: 2020 describes the special status plant and animal species, rookeries or nesting sites and their habitat (that has been found in the City) that occur in the City's Planning Area. Based on the existing site conditions and species descriptions, no special status species are expected to be found on the site. Because of the current development and disturbance of the site, suitable habitat for special status species does not exist on the site. Some species could be occasional visitors, passing through or flying over the site; these species would be accustomed to the disturbance and activities already occurring in the area.

Section 1-0228 Wetland and Creek Protection Combining or WCP Zone (1999) states that a creek zone is "the area that is twenty-five (25) feet outward from the top of bank, or the area bounded by the FEMA Flood Zone A line, whichever is greater, except that in no case will the creek zone on either side of a creek be wider than 100 feet from the average low flow line of that creek" and "excavating, grading, or placing fill or debris" is prohibited in a Creek Zone. This project is outside of and does not impact any required creek zone buffer area.

V. CULTURAL RESOURCES.

The City of Arcata is situated within the traditional territory of the Wiyot Indians that previously lived near Humboldt Bay and the lower portions of the Mad and Eel Rivers prior to settlement in the mid-1800. Several archeological sites have since been discovered within the City and its broader Planning Area. The potential for discovering new sites exists. CEQA and City policy address these resources on a case-by-case basis during development review. However, archeological or paleontological resources are not common in this area and the potential for new discoveries is limited due to high levels of seismicity, particularly regional uplifting. The entire project site was extensively modified more than 60 years past.

There are no known paleontological or archeological resources, human remains or unique geological features on the site. Nonetheless, it is possible that buried resources could be encountered during the proposed redevelopment construction. To address this General Plan: 2020 Policy H-7f, Discovery of Archeological Resources, is required for all projects. Generally, if a potential resource is found work activity in the area immediately ceases to protect any find "in-place." Furthermore, a cultural consultant is hired to remove and catalogue the find and assess the potential for additional discoveries before work resumes in the area. If additional finds are deemed likely construction activities will be adjusted accordingly. Should human remains be encountered during ground disturbing activities within the project area, state law requires that the County Coroner be contacted immediately. Should the Coroner determine that the remains are likely those of a Native American, he or she will contact the Native American Heritage Commission. The Heritage Commission will consult with the most likely Indian descendants from the area to determine appropriate treatment of the remains.

No historic structures will be affected by the project as verified by the State Historic Preservation Office, in a letter dated October 19, 2009

VI. GEOLOGY AND SOILS

The subject property is located within the northern Coast Ranges Geologic Province which is a seismically active area in which large earthquakes may be expected to occur during the economic lifespan of any development on the subject property. Liquefaction is a phenomenon observed with loose to partial medium dense, saturated, granular soils when ground motions (i.e. large, prolonged earthquakes) induce the material to behave like a viscous liquid, with zero shear strength and greatly reduced bearing capacity. Induced liquefaction can also cause instantaneous de-watering of saturated soils with consolidation induced settlement of soils and structures on these soils.

The site is essentially flat with a gentle west-southwest slope. The site is located at about 7.5 feet above sea level, with an approximate 1-foot elevation change across the site. There are no significant natural hill slopes and no cut or fill slopes in the area of the proposed project. The subject property is bordered by relatively flat ground on all sides and covered in asphalt. The project site is susceptible to the strong seismic ground shaking common to the whole north coast region of California. There are several sources capable of producing strong ground motion at the site, and strong ground shaking from a local source should be anticipated during the project design life (50 years). Building design standards, which meet or exceed the requirements of the 2007 California Building Code, will minimize against potential adverse effects from ground shaking hazards. This is a standard building requirement for northwest California. The 2007 California Building Code has been adopted by the City of

Arcata to safeguard life or limb, health, safety and public welfare by regulating and controlling design, construction, quality of materials, use and occupancy, location and maintenance of all buildings and structures within their jurisdiction. This Code provides building design standards, which protect buildings from impacts associated with seismic events.

The potential for liquefaction is reduced by adequate assessment of proper foundation design. City standards and regulations require a geological report to assess the building design/foundation requirements at time of submittal of building permits. The map of geology and geomorphic features related to land sliding (CDMG, 1984) shows no landslides or features indicative of potential slope instability on, or immediately adjacent to the site. The site is not in an area at risk from landslides and has no potential to cause damage to people or property from redevelopment.

VII. HAZARDS AND HAZARDOUS MATERIALS.

The site will be used for as a residential facility with uses that do not utilize hazardous materials or create hazardous wastes that will result in a hazard to the public. Current city, county, state and federal regulations and programs regulate the use and disposal of hazardous materials and wastes and require reporting such materials. There are no wildlands near the project site, and the project area is at a very low risk from wildland fires. The site is not included on a list of hazardous materials sites complied pursuant to Government Code Section 65962.5. The project will not locate or create toxic, hazardous or radioactive materials or substances near low-income housing; as verified by Arcata Fire Protection District. Residential use goes back to at least 1947, as verified by the 1947 aerial photo.

VIII. HYDROLOGY AND WATER QUALITY.

The site is essentially flat with a very gentle west to east slope. This site is on the east edge of the Jolly Giant Creek Floodway and will have very little restriction on flood flows. GP2020 policy PS-4c states: "...the mapped Flood Zone "A" as determined by FEMA should be kept free of structures and other obstructions that would restrict flood flows". However, the policy continues with: "...new construction in Flood Zone "A" shall be elevated, flood-proofed, designed to not constrict flood flows or drainage, and/or include other features, such as access for evacuation and emergency response, to protect human safety and minimize property damage". GP2020 policy PSs-4c does not strictly prohibit structures within the Flood Zone "A", rather, it requires design features to protect human safety and minimize property damage. Although the residences will be developed above the base flood level, it is uncertain if the proposed development will not restrict or impede flood flows; or limit access or evacuation of the residences. However, because the site will be occupied by manufactured homes with flow-through bases, and the minimal amount of area displaced by the development in relationship to the floodplain area, the project will not adversely affect the carrying capacity of the floodway. In addition, the access road (G St) is not anticipated to prohibit evacuation under normal flood conditions. G Street at the north end of the parcel is outside of the flood zone identified by FEMA. Therefore, it is expected passenger vehicles will be able to evacuate the development during flood events.

GP2020 policy, PS-4f encourages setbacks, easements, and the minimal use of impervious surfaces as flood protection measures. However, the policy also includes the following, less desirable flood protection measures: elevation of structures, anchoring, flood proofing and

construction of detention basins. The application did not include additional setback or easements of flood prone areas. The new pavement in the Park reduces the amount of impervious surface. However, other than the open space requirements of the R-L zone, there are no provisions to limit the amount of impervious surface of the individual residential parcels. Covenants and Restriction are not enforceable by the City; an individual property owner may develop the property in accordance to the City zoning, and not be in compliance with the Covenants and Restrictions.

Nonetheless, other than the Public Works Condition of Approval regarding finished floor height, no other referral Departments or Agencies identified any flood hazard concerns. In addition, the parcel has been operating as a Mobile Home Park for many years prior to this project; and no new structures will be added. Existing mobile homes will eventually be replaced with newer models. Therefore, the project design and City standard conditions of approval will ensure the proposed project will have a less than significant impact on the environment with regards to structures placed in the 100-year flood hazard area.

The project site is located within the A flood zone, as indicated on Flood Insurance Rate Map (FIRM) Panel no. 060061-0004 E, dated November 5, 1997. The Flood Elevation has been determined to be 6.5' (NGVD 29) and in accordance with the City of Arcata Land Use and Development Guide (LUDG), the finished floor elevations must be certified to be a minimum 7.5' (NGVD 29).

No wetlands will be affected by this project and there are no wild or scenic rivers within one mile of the project; as verified by the City of Arcata Department of Environmental Services.

IX. LAND USE AND PLANNING.

Since this project is located in the Coastal Zone it is subject to the 1987 Arcata Coastal Land Use Element (1996 update) rather than the General Plan:2020. However this project can be found to be consistent with both of the general plans and has been described as such in this *Project Analysis*. So, though this project conforms to the applicable general plan, it also meets the intent of the General Plan: 2020, to which the property will one day be subject. This project also utilizes the most current environmental analysis for the City, which is the Program EIR for General Plan: 2020.

General Plan: 2020, *LU-1f Promotion of infill development,* discusses the emphasis of mixed use infill-type projects,

> ***LU-1f Promotion of infill development.*** *The City encourages appropriate redevelopment of certain parcels of land which are either underutilized, brownfields, or vacant but surrounded by existing urban development. These sites represent development opportunities using existing infrastructure, and shall have priority for development over vacant sites that are located outside the urban services boundary (designated in the Growth Management Element) which require investment in extension of infrastructure and services. Infill development may include new residential units on upper floors of commercial structures, development of second units on residential lots, and new or expansion of existing residential and commercial structures consistent with the provisions of the applicable land use plan designations. The Planned Development procedure shall be encouraged for coordinated development on larger infill sites.*

X. MINERAL RESOURCES.

The mineral resources in the City of Arcata planning area are primarily aggregate deposits found along the Mad River and in the Arcata bottoms. Areas along the Mad River, within and upstream of the City's Sphere of Influence, are currently used for aggregate resource extraction (gravel). No mineral resource sites occur near the project. The project will make use of locally produced aggregate products typical of this type of development. No known mineral resource has been identified on the project site. The project will not therefore result in the loss of availability of a regionally important mineral resource.

XI. NOISE.

Average ambient noise levels measured at the project area ranged from 40 dBA to 55 dBA when adjacent noon time traffic passed by. Projected noise levels at the project area are mapped in the General Plan: 2020 to be at an average level of 55 dB Ldn due to noise generated by traffic on Highway 101. Other noted nearby sources of noise include the existing commercial and residential uses surrounding the project site. The Program EIR for the General Plan discusses noise impacted areas throughout the City; the general project area was not listed as one. Table N-1 of the Arcata General Plan 2020 defines maximum levels of noise from stationary, non-transportation sources affecting residences, which are 55 dB Leq between normal commercial hours of operation of 7am – 7pm, 50 dB Leq from 7pm–10pm and 45 dB Leq from 10pm-7am (with a maximum of 70-75 dB at any time). There are no such sources nearby that would affect this project; no special noise reduction measures are necessary. This project is consistent with requirements of the General Plan: 2020 and can be found not to result in significant impacts or need additional mitigation measures. Existing policies and ordinance provisions assure that the project will meet City standards, through normal city processes.

Construction noise is addressed below. The noise element of the Arcata General Plan regulates acceptable standards for noise / land use compatibility. According to Arcata Standards for Noise / and Use Compatibility, the project noise exposure is considered normally acceptable *for this parcel. General Plan: 2020 policies include the following:*

Existing Policies from Arcata General Plan: 2020

N-1a ***Noise attenuation measures.*** *Noise attenuation measures, and stationary noise source controls shall include the use of barriers, setbacks, site design, baffles, enclosures, silencers, and improved facade construction techniques.*

N-1b ***Noise attenuation guidelines.*** *Noise attenuation measures and stationary noise source controls shall follow the guidelines provided in the technical document entitled: Noise Control Manual (which is considered an implementation measure).*

N-1c ***Noise mitigation.*** *Where noise mitigation measures are required, the emphasis of such measures shall be placed upon site planning and project design. The use of noise barriers shall be considered a means of achieving the noise standards only after all other practical design-related noise mitigation measures have been integrated into the project.*

N-2d Acceptable noise levels. *New construction and retrofits at existing buildings shall include appropriate insulation, glazing, and other sound attenuation measures so that they comply with standards contained in Table N-1. These standards are intended to set levels for external noise sources that could potentially impact a new dwelling or other noise-sensitive use.*

The General Plan does not allow uses that normally generate long-term excessive groundborne vibration or groundborne noise levels. Any uses proposed that could result in groundborne noise will be decreased so that noise levels do not exceed standards in the Arcata General Plan. Some short-term, minor vibrations may occur during the construction portion but will be minimized by the same measure that limits hours of construction for noise (see discussion below).

The proposed project will not result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project. The majority of the noise from the project will take place during construction. The existing Policies from Arcata General Plan: 2020 will ensure that construction noises are kept to a minimum.

Existing Policies from Arcata General Plan: 2020

N-5d Construction site tool or equipment noise. The following shall apply to construction noise from tools and equipment: Hours of Construction—The operation of tools or equipment used in construction, drilling, repair, alteration or demolition shall be limited to between the hours of 8 A.M. and 7 P.M. Monday through Friday, and between 9 A.M. and 7 P.M. on Saturdays. No heavy equipment related construction activities shall be allowed on Sundays or holidays.

N-5e Stationary and construction equipment noise. *All stationary and construction equipment shall be maintained in good working order, and fitted with factory approved muffler systems.*

XII. POPULATION AND HOUSING

The City's General Plan projects a population growth of approximately 4,000 people in the next 20 years (General Plan: 2020). The majority of growth is planned within the existing urban services boundary, which will minimize the amount of road and other infrastructure that must be constructed.

The project facilitates a major goal of the General Plan by providing infill development that does not require the expansion of services or infrastructure. This project is in compliance with City policies and regulations protecting public health and safety and the environment. The project will not displace any people or *necessitate the construction of replacement housing elsewhere*; there are currently no people living within the project area.

XIII. PUBLIC SERVICES

The proposed project will not require significant additional public services beyond those anticipated in the General Plan. Currently, law enforcement services to the site are provided by the Arcata City Police (APD) and fire protection is provided by the Arcata Volunteer Fire Department (AVFD). The property is located within the Arcata Elementary School and Northern Humboldt Union High School Districts. The proposed project will not require significant additional public service beyond that anticipated in the General Plan.

One of the goals (H) of the Land Use Element section of the General Plan is to *"encourage infill development as a way of meeting housing and employment needs without major extensions of infrastructure or services."* The proposed project is infill development, located in an area where services already exist and has no potential to impact the current and future ability of any City department to provide services. The Arcata General Plan: 2020 Program EIR found that *"because of the infill growth pattern identified in the General Plan, no need for new major facilities are anticipated ... Future needs are expected to be met by providing additional staffing and potential expansion at existing facilities rather than construction of new facilities."*.

XIV. RECREATION.

There are two parks currently located nearby the project; Rotary Park, located just north of the project site and the adjacent Arcata Marsh and Wildlife Sanctuary are the closest public open space/recreational facility. There are not expected to be any significant impacts on recreational resources due to this project being as the site is already currently in use as a residential mobile home park.

XV. TRANSPORTATION/TRAFFIC.

The proposed project is infill development within the City's infill growth pattern and therefore within growth levels planned for in the Arcata General Plan: 2020 and analyzed in the Program EIR with no significant impacts being identified. The PEIR for the General Plan (p. 4-15) states: "*Average daily traffic is projected to continue operating within acceptable levels of service*". This project is within projected "buildout" levels for employment; there will not be a substantial or noticeable increase in traffic above planned levels. See Project Description for additional information.

The Arcata Traffic Model (ATM) was developed to assess existing trip volumes and project the increased trip generation from residential and employment growth analyzed in the General Plan. The model predicts a 13% increase in the vehicle miles traveled and a 16% increase in total trips from the buildout of the Arcata General Plan. The project is also consistent with Policy T-4 (*Streets and Highways Plan Policy*) by utilizing the existing street system and only requiring minor improvements of existing street rights-of-way where desirable. The stated objective of this policy is to: *"Plan an internal street system consistent with Arcata's small-town, non-metropolitan character and which: 1) efficiently utilizes existing facilities and reduces need for investment in new or expanded street and highway facilities or capacities...; and 4) maintains a level of service which minimizes delays, but allows for higher levels of congestion during short peak periods on weekdays.* This project is consistent with General Plan: 2020 and the analysis in the PEIR. Therefore, it is expected that this project will not exceed projected levels of service and will not require local improvements.

This project is located in an area where all existing streets and improvements are developed. The proposed project has been designed not to create or increase any hazards due to design features of the project. Public Works has provided input into design of pedestrian

improvements that will be constructed as part of this project, thereby increasing the safety of the intersection for seniors, as has been incrementally done throughout the city center. Additionally the project will not have any incompatible uses and will integrate well into the downtown area. The City of Arcata General Plan promotes the use of alternative transportation to reduce traffic congestion and improve air quality. Alternative transportation opportunities are located conveniently close to the project site.

XVI. UTILITIES AND SERVICE SYSTEMS.
General subdivision utilities have been installed, and are not a part of this project. The site is currently served by City water and wastewater services. Solid waste collection and disposal is provided by franchised contractors. Electricity is provided by PG&E. Proposed water, sewer and electricity for the proposed uses will connect to existing utilities available adjacent to the site.

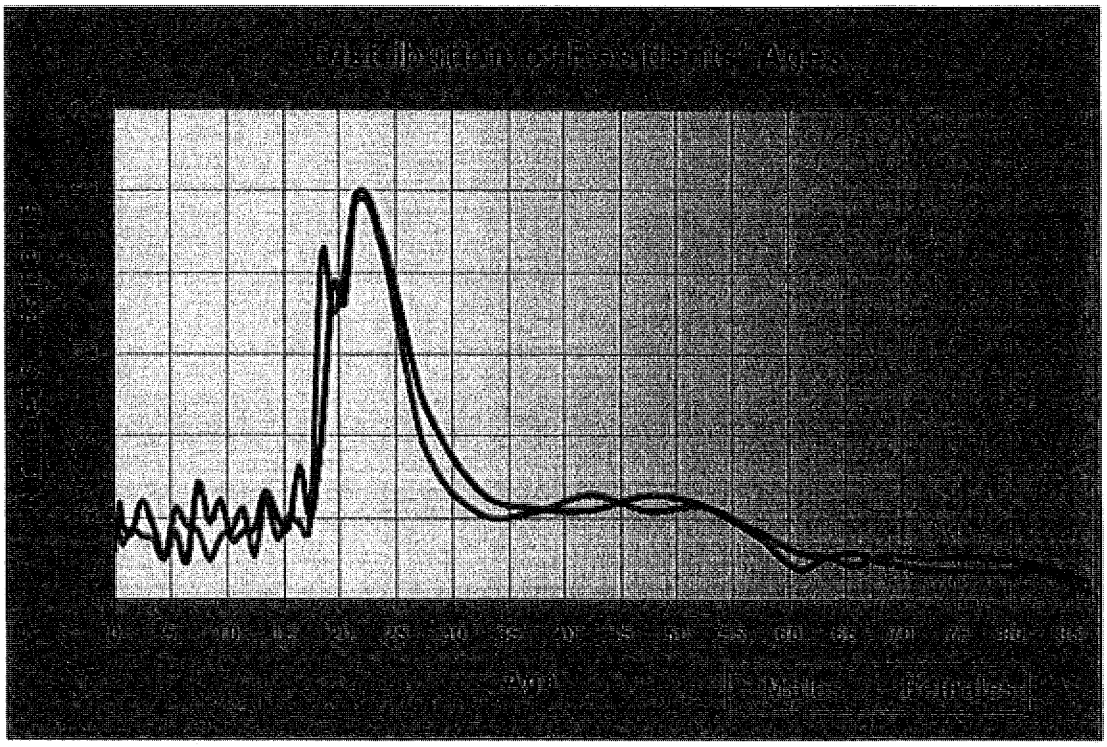
6. SOURCE/REFERENCE LIST

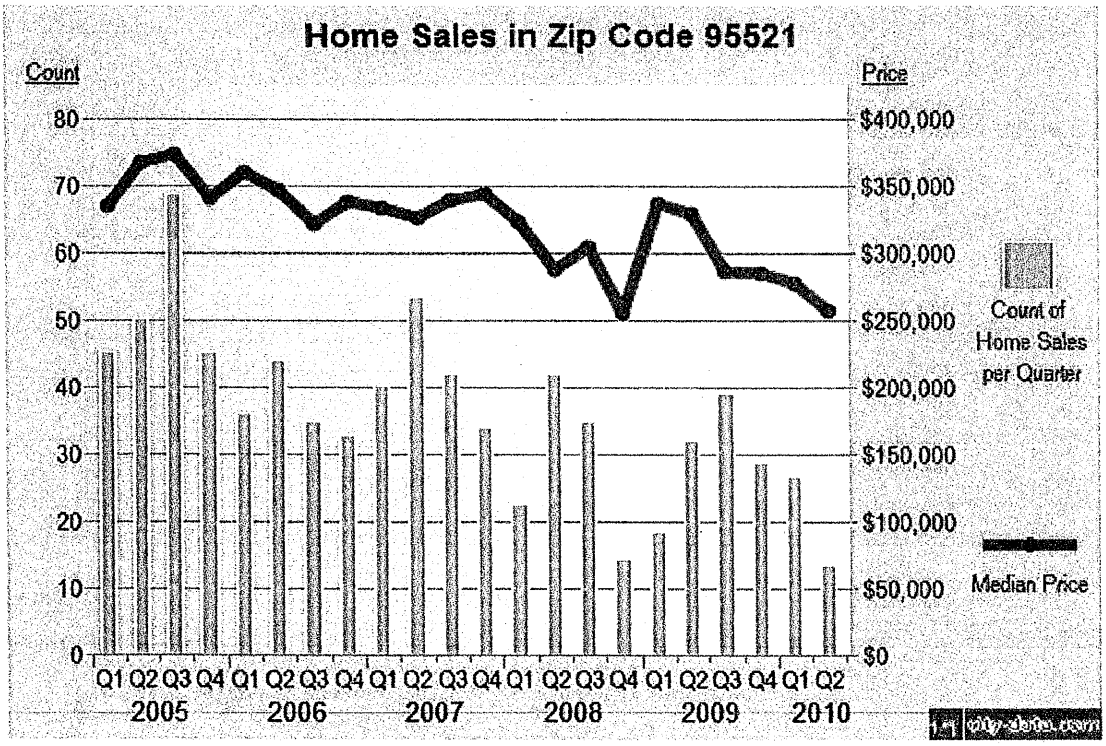
The following documents were used in the preparation of this Initial Study. The documents are available for review at the Community Development Department, City Hall, during regular business hours.

1) City of Arcata General Plan: 2020
2) City of Arcata General Plan: 2020 Program EIR.
3) City of Arcata General Plan 2020 Hazardous Map, Figure PS-a.
4) City of Arcata Land Use Code, October 2008.
5) City of Arcata Land Use & Development Guide
6) City of Arcata Local Coastal Program (Coastal Land Use Element and Implementing Ordinances), 1989
7) City of Arcata Staff/Agency Referrals.
8) McLaughlin, James and Frank Harradine, November 1965, *Soils of Western Humboldt County California,* University of California, Davis.
9) City of Arcata Reference Materials.
10) Plaza Point Application Submittal Materials.
11) California Environmental Protection Agency http://www.calepa.ca.gov/
12) California Department of Toxic Substances Control Hazardous Waste and Substances Site List http://www.dtsc.ca.gov/SiteCleanup/Cortese_List.cfm

Sandpiper Park
Market Study

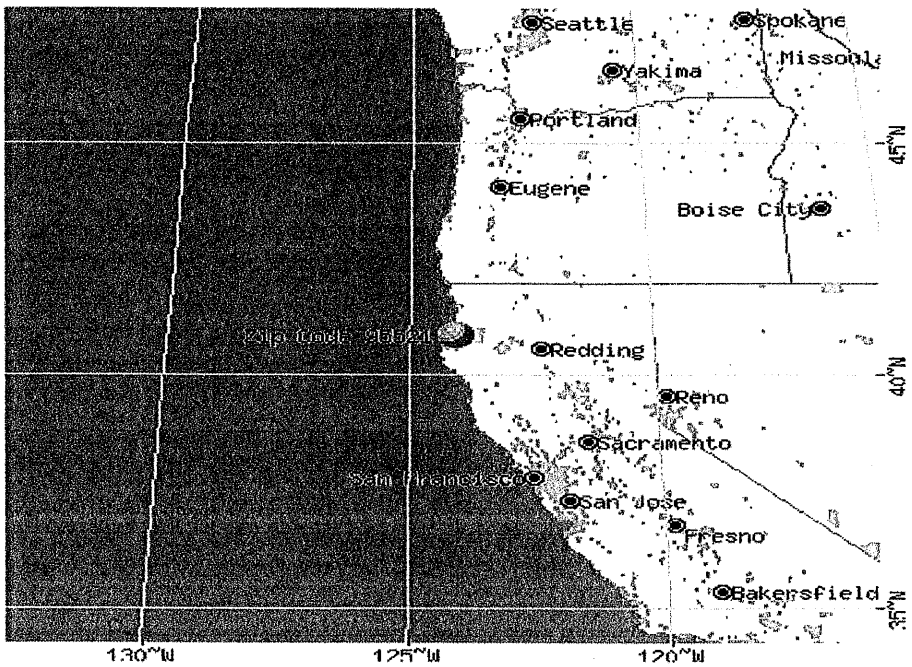
Site Location: 115 G Street, Arcata, California 95521
County: Humboldt County, California
Zip Code Population (2000): 19,585
Estimated Zip Code Population in 2008: 20,091

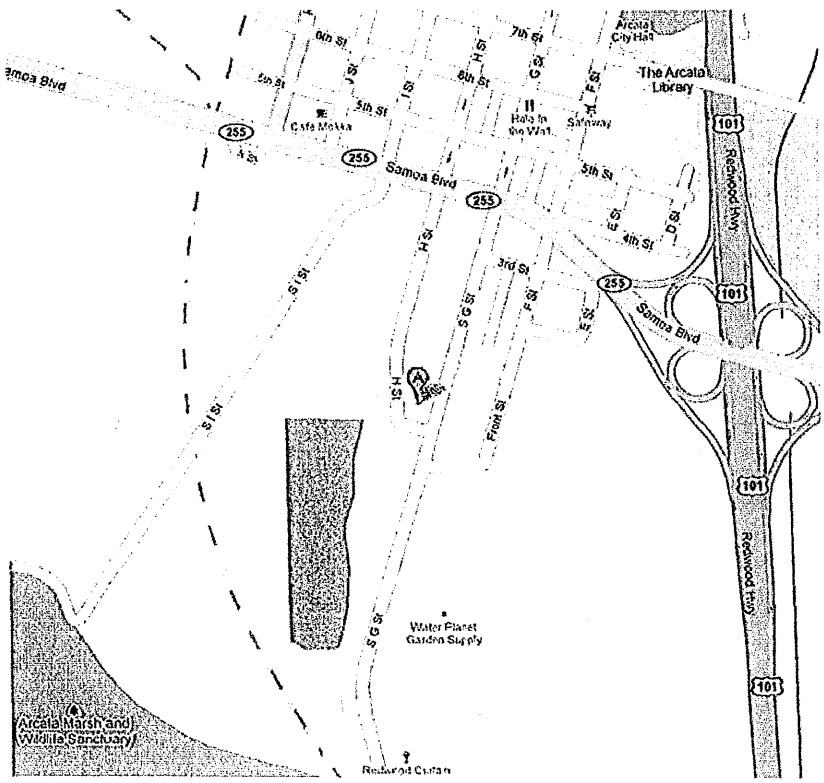




Sandpiper Park
Market Study

Area Maps





Sandpiper Park
Market Study

Houses and Condos: 8,509
Renter-occupied apartments: 4,898
% of renters here: 59%
State: 43%

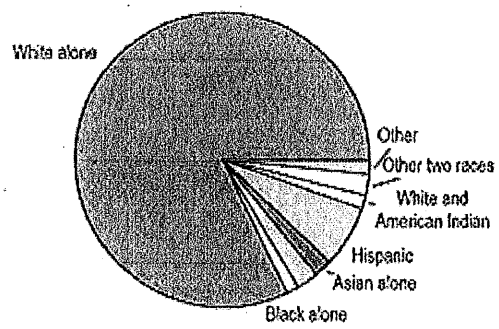
Dec. 2009 cost of living index in zip code 95521: 109.5 (more than average, U.S. average is 100)

Land area: 66.2 sq. mi.
Water area: 0.2 sq. mi.
Population density: 303 people per square mile (very low).

Estimate of real estate property taxes paid for housing units in 2008:
This zip code: 1.3% ($949)
California: 1.4% ($1,564)

Males: 9,811 (50.1%)
Females: 9,774 (49.9%)

Races in Zip Code 95521



Urban population: 17,677
Rural population: 1,908

Estimated median house/condo value in 2008: $318,847
95521: $318,847
California: $467,000

Median resident age: 26.6 years
California median age: 33.3 years

Sandpiper Park
Market Study

Average household size:
This zip code: 2.2 people
California: 2.9 people

Averages for the 2004 tax year for zip code 95521, filed in 2005:
Average Adjusted Gross Income (AGI) in 2004: $34,187 (Individual Income Tax Returns)
Here: $34,187
State: $58,600

Salary/wage: $26,138 (reported on 82.2% of returns)
Here: $26,138
State: $49,455
(% of AGI for various income ranges: 109.7% for AGIs below $10k, 77.2% for AGIs $10k-25k, 76.4% for AGIs $25k-50k, 69.2% for AGIs $50k-75k, 65.6% for AGIs $75k-100k, 38.3% for AGIs over 100k)

Taxable interest for individuals: $1,783 (reported on 41.7% of returns)
This zip code: $1,783
California: $2,365
(% of AGI for various income ranges: 3.5% for AGIs below $10k, 1.9% for AGIs $10k-25k, 1.9% for AGIs $25k-50k, 2.3% for AGIs $50k-75k, 1.7% for AGIs $75k-100k, 2.4% for AGIs over 100k)

Taxable dividends: $4,595 (reported on 22.4% of returns)
Here: $4,595
State: $4,746
(% of AGI for various income ranges: 4.5% for AGIs below $10k, 1.6% for AGIs $10k-25k, 1.6% for AGIs $25k-50k, 2.2% for AGIs $50k-75k, 1.8% for AGIs $75k-100k, 5.2% for AGIs over 100k)

Net capital gain/loss: +$10,726 (reported on 18.4% of returns)
Here: +$10,726
State: +$23,418
(% of AGI for various income ranges: -0.5% for AGIs below $10k, 0.7% for AGIs $10k-25k, 1.1% for AGIs $25k-50k, 1.9% for AGIs $50k-75k, 3.3% for AGIs $75k-100k, 14.7% for AGIs over 100k)

Profit/loss from business: +$18,065 (reported on 16.9% of returns)
Here: +$18,065
State: +$16,826
(% of AGI for various income ranges: 8.5% for AGIs below $10k, 6.9% for AGIs $10k-25k, 6.3% for AGIs $25k-50k, 7.4% for AGIs $50k-75k, 8.4% for AGIs $75k-100k, 12.5% for AGIs over 100k)

Profit/loss from farming: +$70 (reported on 0.6% of returns)
Here: +$70
State: $-7,562

IRA payment deduction: $3,081 (reported on 3.4% of returns)
95521: $3,081
California: $3,192
(% of AGI for various income ranges: 0.2% for AGIs below $10k, 0.3% for AGIs $10k-25k, 0.6% for AGIs $25k-50k, 0.4% for AGIs $50k-75k, 0.3% for AGIs $75k-100k, 0.1% for AGIs over 100k)

Self-employed pension: $14,636 (reported on 1.8% of returns)
Here: $14,636
California: $17,688
(% of AGI for various income ranges: 0.4% for AGIs $25k-50k, 0.6% for AGIs $50k-75k, 0.8% for AGIs $75k-100k, 1.5% for AGIs over 100k)

Total itemized deductions: $19,101 (1% of AGI, reported on 21.4% of returns)
Here: $19,101
State: $28,113
(% of AGI for various income ranges: 10.4% for AGIs below $10k, 5.8% for AGIs $10k-25k, 9.1% for AGIs $25k-50k, 13.7% for AGIs $50k-75k, 15.1% for AGIs $75k-100k, 14.5% for AGIs over 100k)

Charity contributions deductions: $3,744 (4.1% of AGI, reported on 18.2% of returns)
Here: $3,744
California: $3,923
Here: 4.1% of AGI
State: 3.3% of AGI
(% of AGI for various income ranges: 0.6% for AGIs below $10k, 0.5% for AGIs $10k-25k, 0.9% for AGIs $25k-50k, 1.4% for AGIs $50k-75k, 2.0% for AGIs $75k-100k, 3.8% for AGIs over 100k)

Total tax: $5,691 (reported on 70.8% of returns)
95521: $5,691
State: $10,761
(% of AGI for various income ranges: 2.7% for AGIs below $10k, 4.9% for AGIs $10k-25k, 8.1% for AGIs $25k-50k, 10.0% for AGIs $50k-75k, 11.7% for AGIs $75k-100k, 19.1% for AGIs over 100k)

Earned income credit: $1,152 (reported on 16.7% of returns)
Here: $1,152
State: $1,763
(% of AGI for various income ranges: 5.8% for AGIs below $10k, 2.2% for AGIs $10k-25k, 0.2% for AGIs $25k-50k)

Percentage of individuals using paid preparers for their 2004 taxes: 43.7%
Here: 44%
State: 66%
(% for various income ranges: 27.7% for AGIs below $10k, 39.6% for AGIs $10k-25k, 50.7% for AGIs $25k-50k, 63.7% for AGIs $50k-75k, 64.5% for AGIs $75k-100k, 78.9% for AGIs over 100k)

Estimated median household income in 2008: $31,281
This zip code: $31,281
California: $61,021

Nearest zip codes: 95524, 95502, 95519, 95501, 95503, 95564.
Arcata Zip Code Map

Sandpiper Park
Market Study

Percentage of family households:
This zip code: 42.9%
Whole state: 68.9%

Percentage of households with unmarried partners:
This zip code: 9.7%
Whole state: 5.9%

Housing units in zip code 95521 with a mortgage: 1,625 (146 second mortgage, 209 home equity loan, 13 both second mortgage and home equity loan)
Houses without a mortgage: 811

Median monthly owner costs for units with a mortgage: $1,576

Median monthly owner costs for units without a mortgage: $370

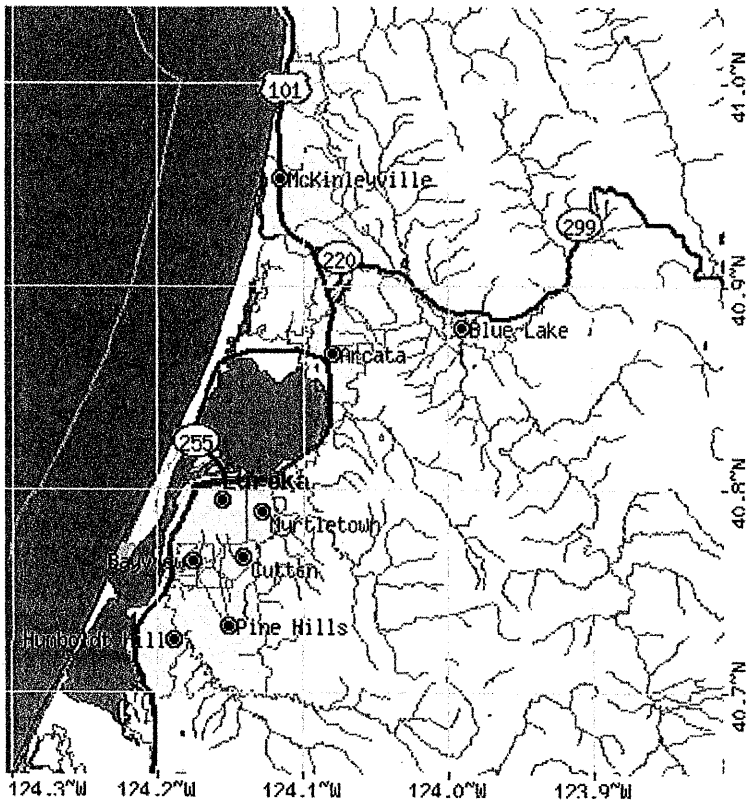
Residents with income below the poverty level in 2008:
This zip code: 27.1%
Whole state: 13.3%

Residents with income below 50% of the poverty level in 2008:
This zip code: 12.9%
Whole state: 5.4%

Median number of rooms in houses and condos:
Here: 5.6
State: 5.8

Median number of rooms in apartments:
Here: 3.7
State: 3.5

Sandpiper Park
Market Study



Click to draw/clear zip code borders

Notable locations in the Arcata Area <u>not</u> Listed on Page 16 of Market Study:

<u>Notable locations in zip code 95521</u>: Pritchett Ranch, Bayside Golf Course, Mad River Fish Hatchery, Butler Valley Ranch, Tan Oak Hall, Maple Hall, Madrone Hall, Veterans Memorial Building, Hemlock Hall, Redwood Hall, Arcata City Hall, Arcata Community Recycling Center, Arcata Marsh Interpretive Center.

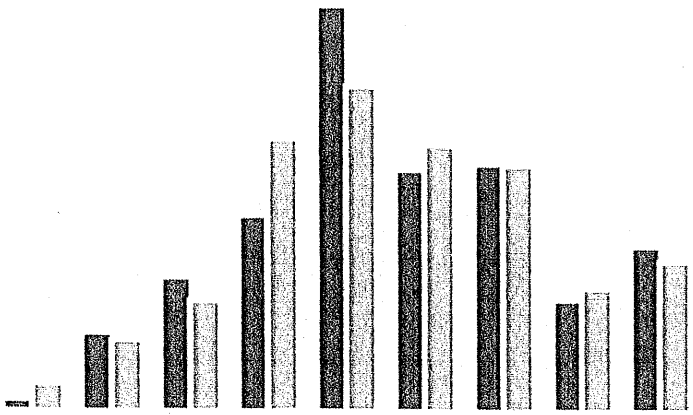
<u>Churches in zip code 95521 include</u>: Church of Christ , Church of the Nazarene, Full Gospel Assembly Church, The Church of Jesus Christ of Latter Day Saints, Arcata United Methodist Church, Arcata Presbyterian Church.

Reservoir: Blue Lake.

Streams, rivers, and creeks: Leggit Creek, Kelly Creek, Quarry Creek, Liscom Slough, Simpson Creek, Warren Creek.

Post office: Arcata Post Office.

<u>Year Houses Were Constructed in the Area</u>:



- 1999 to March 2000: 49
- 1995 to 1998: 423
- 1990 to 1994: 716
- 1980 to 1989: 1,055
- 1970 to 1979: 2,188
- 1960 to 1969: 1,296
- 1950 to 1959: 1,335
- 1940 to 1949: 597
- 1939 or earlier: 892

Sandpiper Park
Market Study



EPA Environmental Map for 95521

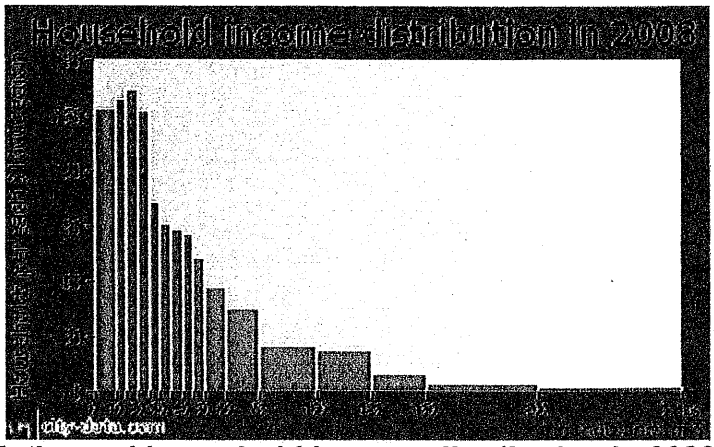
Bedrooms in owner-occupied houses in Arcata, CA (95521):
- no bedroom: 35
- 1 bedrooms: 176
- 2 bedrooms: 805
- 3 bedrooms: 1,732
- 4 bedrooms: 467
- 5 or more bedrooms: 125

Bedrooms in renter-occupied apartments and housing units:
- no bedroom: 595
- 1 bedrooms: 1,328
- 2 bedrooms: 1,877
- 3 bedrooms: 794
- 4 bedrooms: 260
- 5 or more bedrooms: 44

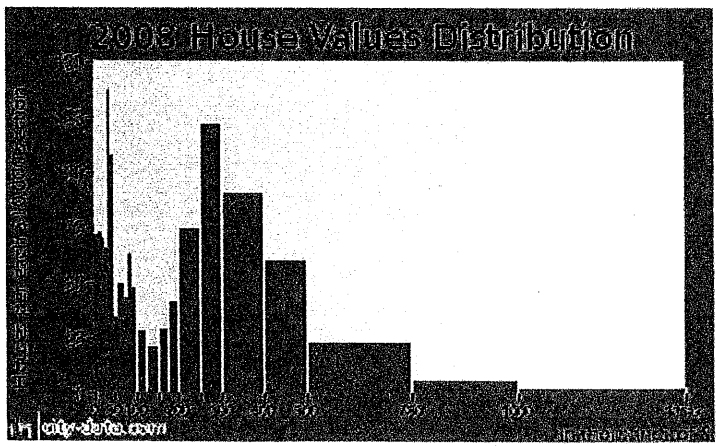
Vehicles available in 95521 zip code in owner-occupied houses/condos:
- no vehicle: 210
- 1 vehicle: 1,149
- 2 vehicles: 1,320
- 3 vehicles: 455
- 4 vehicles: 156
- 5 or more vehicles: 50

Vehicles available in renter-occupied apartments:
- no vehicle: 729
- 1 vehicle: 2,349
- 2 vehicles: 1,246
- 3 vehicles: 454
- 4 vehicles: 105
- 5 or more vehicles: 15

Sandpiper Park
Market Study



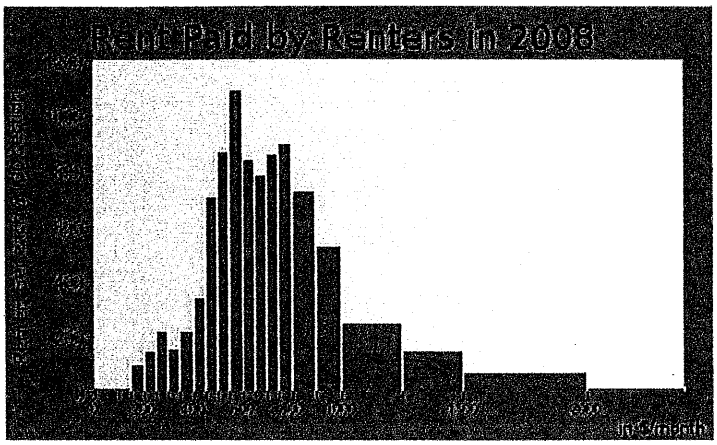
Estimated household income distribution in 2008:



Estimate of home value of owner-occupied houses/condos in 2008 in zip code 95521:

- Less than $10,000: 52
- $10,000 to $14,999: 26
- $15,000 to $19,999: 26
- $20,000 to $24,999: 26
- $25,000 to $29,999: 24
- $30,000 to $34,999: 24
- $35,000 to $39,999: 32
- $40,000 to $49,999: 103
- $50,000 to $59,999: 34
- $60,000 to $69,999: 31
- $70,000 to $79,999: 35
- $80,000 to $89,999: 32
- $90,000 to $99,999: 50
- $100,000 to $124,999: 68
- $125,000 to $149,999: 32
- $150,000 to $174,999: 55
- $175,000 to $199,999: 49
- $200,000 to $249,999: 190
- $250,000 to $299,999: 423
- $300,000 to $399,999: 768
- $400,000 to $499,999: 549
- $500,000 to $749,999: 551
- $750,000 to $999,999: 136
- $1,000,000 or more: 113

Sandpiper Park
Market Study



Rent paid by renters in 2008 in zip code 95521:

- Less than $100: 2
- $100 to $149: 2
- $150 to $199: 40
- $200 to $249: 64
- $250 to $299: 86
- $300 to $349: 59
- $350 to $399: 100
- $400 to $449: 143
- $450 to $499: 309
- $500 to $549: 378
- $550 to $599: 429
- $600 to $649: 304
- $650 to $699: 326
- $700 to $749: 344
- $750 to $799: 364
- $800 to $899: 527
- $900 to $999: 400
- $1,000 to $1,249: 429
- $1,250 to $1,499: 281
- $1,500 to $1,999: 233
- $2,000 or more: 33
- No cash rent: 128

Median price asked for vacant for-sale houses and condos in 2008: $528,280.

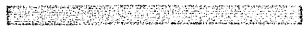
Estimated median house (or condo) value in 2008 for:

- White Non-Hispanic householders: $354,534
- Black or African American householders: $365,335
- American Indian or Alaska Native householders: $314,385
- Asian householders: $637,223
- Some other race householders: $257,566
- Two or more races householders: $304,289
- Hispanic or Latino householders: $313,446

Estimated median house or condo value in 2008: $319,942 (it was $135,800 in 2000)
95521: $319,942
California: $467,000
Lower value quartile - upper value quartile: $250,736 - $408,790

Sandpiper Park
Market Study

Median price in 2008:
Detached houses: $365,984
Here:  $365,984
State:  $604,989

Townhouses or other attached units: $287,773
Here:  $287,773
State:  $502,696

In 2-unit structures: $367,492
Here:  $367,492
State:  $742,682

In 3-to-4-unit structures: $437,444
Here:  $437,444
State:  $503,436

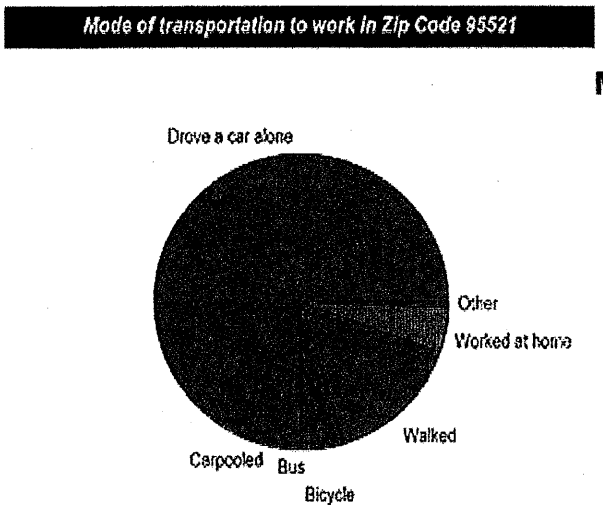
In 5-or-more-unit structures: $594,259
Here:  $594,259
State:  $468,105

Mobile homes: $37,033
Here:  $32,811
State:  $59,450

Occupied boats, RVs, vans, etc.: $5,000
Here:  $5,000
State:  $63,652

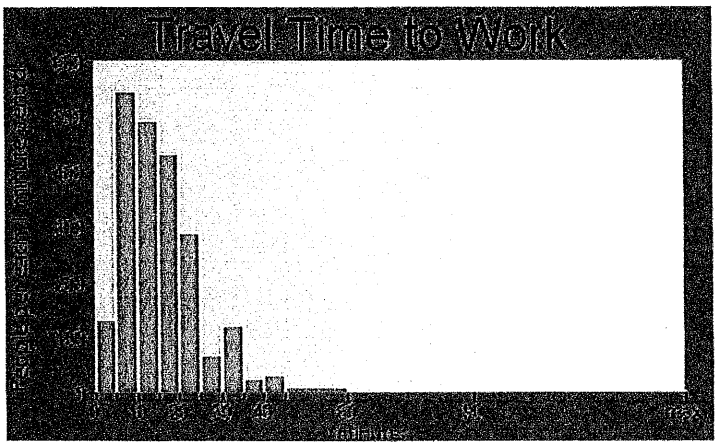
Housing units in structures:

- One, detached: 4,405
- One, attached: 277
- Two: 386
- 3 or 4: 809
- 5 to 9: 717
- 10 to 19: 501
- 20 to 49: 266
- 50 or more: 361
- Mobile homes: 775
- Boats, RVs, vans, etc.: 54



Means of transportation to work

- Drove a car alone: 6,016 (63%)
- Carpooled: 957 (10%)
- Bus or trolley bus: 193 (2%)
- Subway or elevated: 6 (0%)
- Railroad: 3 (0%)
- Motorcycle: 13 (0%)
- Bicycle: 439 (5%)
- Walked: 1,430 (15%)
- Other means: 46 (0%)
- Worked at home: 457 (5%)



Travel time to work

- Less than 5 minutes: 537
- 5 to 9 minutes: 2264
- 10 to 14 minutes: 2033
- 15 to 19 minutes: 1782
- 20 to 24 minutes: 1194
- 25 to 29 minutes: 278
- 30 to 34 minutes: 503
- 35 to 39 minutes: 95
- 40 to 44 minutes: 124
- 45 to 59 minutes: 118
- 60 to 89 minutes: 55
- 90 or more minutes: 120

Percentage of zip code residents living and working in this county: 98.0%

Household type by relationship
Households: 18,154

- In family households: 10,671 (2,353 male householders, 1,265 female householders)

  2,516 spouses, 3,437 children (3,148 natural, 92 adopted, 197 stepchildren), 162 grandchildren, 187 brothers or sisters, 33 parents, 280 other relatives, 438 non-relatives

- In nonfamily households: 7,483 (2,163 male householders (1,225 living alone)), 2,459 female householders (1,494 living alone)), 2,861 nonrelatives
- In group quarters: 1,448 (0 institutionalized population)

Sandpiper Park
Market Study

Size of family households: 1,683 2-persons, 924 3-persons, 641 4-persons, 222 5-persons, 77 6-persons, 71 7-or-more-persons.

Size of nonfamily households: 2,719 1-person, 1,290 2-persons, 385 3-persons, 190 4-persons, 38 5-persons.

1,695 married couples with children.
1,158 single-parent households (273 men, 885 women).

88.2% of residents of 95521 zip code speak English at home.
5.8% of residents speak Spanish at home (57% very well, 18% well, 15% not well, 10% not at all).
4.5% of residents speak other Indo-European language at home (70% very well, 20% well, 8% not well, 2% not at all).
0.7% of residents speak Asian or Pacific Island language at home (66% very well, 34% well).
0.8% of residents speak other language at home (79% very well, 9% well, 12% not well).

Foreign born population: 1,236 (6.3%)
(47.8% of them are naturalized citizens)
This zip code: 6.3%
Whole state: 26.2%

Most common places of birth for the foreign-born residents:
- Mexico (26%)
- Portugal (19%)
- Canada (10%)
- Germany (4%)
- Japan (4%)
- United Kingdom (3%)
- Italy (3%)

Year of entry for the foreign-born population:
- 1995 to March 2000: 307
- 1990 to 1994: 123
- 1985 to 1989: 82
- 1980 to 1984: 130
- 1975 to 1979: 113
- 1970 to 1974: 74
- 1970 to 1974: 129
- 1965 to 1969: 278

White Population: 16,684
Black population: 278
American Indian population: 544
Asian population: 392
Native Hawaiian and Other Pacific Islander population: 39
Some other race population: 645
Two or more races population: 1,003

Sandpiper Park
Market Study

Place of birth for U.S.-born residents:
This state: 12122
Northeast: 1230
Midwest: 1626
South: 1349
West: 1830

37% of the 95521 zip code residents lived in the same house 5 years ago.
Out of people who lived in different houses, 40% lived in this county.
Out of people who lived in different counties, 77% lived in California.
Population in 1990: 32,283. Population change in the 1990s: -12,698 (-39.3%).

First ancestries reported:


Other groups: 3056


German: 2102


Irish: 1883


English: 1459


Italian: 944


United States or American: 875


European: 639


Scottish: 625


Portuguese: 585


Scotch-Irish: 390


Swedish: 378


Norwegian: 372


French (except Basque): 361


Polish: 347


Russian: 320


Dutch: 228


Danish: 178


British: 148


Scandinavian: 126


Swiss: 124


Finnish: 123


French Canadian: 111

Welsh: 95

Northern European: 70

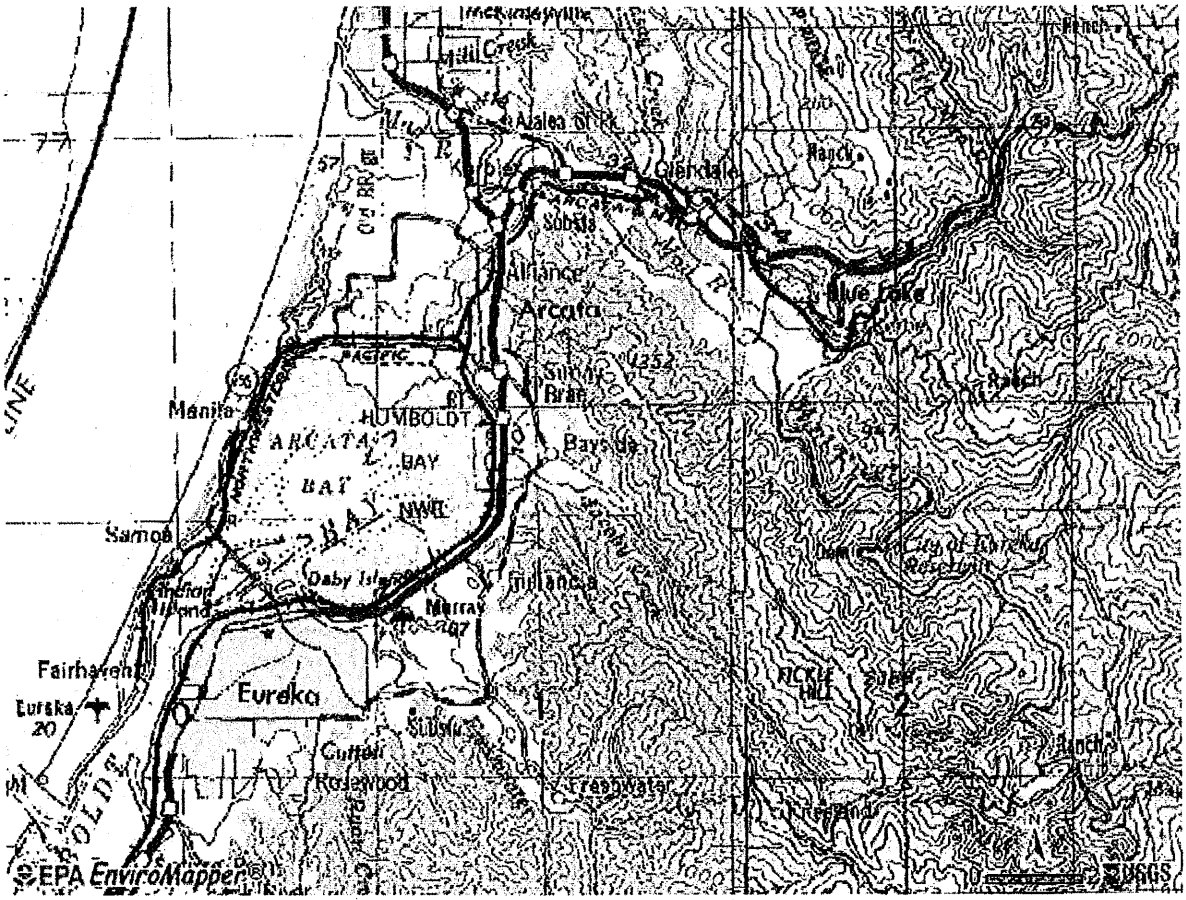
Arab:: 63

Canadian: 61

Czechoslovakian: 50

Greek: 49

- Subsaharan African:: 42
- Eastern European: 42
- Basque: 38
- Iranian: 35
- Lithuanian: 34
- Hungarian: 32
- Ukrainian: 29
- Czech: 29
- Austrian: 24
- Slavic: 23
- Lebanese: 19
- Arab/Arabic: 18
- West Indian (excluding Hispanic groups):: 18
- Romanian: 17
- Cypriot: 16
- Croatian: 16
- Armenian: 16
- Yugoslavian: 16
- Slovak: 15
- Iraqi: 13
- Latvian: 12
- African: 11
- Nigerian: 11
- South African: 10
- West Indian: 10
- Ethiopian: 10
- Alsatian: 9
- Other Arab: 9
- Pennsylvania German: 8
- Israeli: 8
- Jamaican: 8
- Australian: 6
- Celtic: 5
- Syrian: 4
- Turkish: 2
- Belgian: 2



Private primary/middle school not listed on the city page:

- **EQUINOX SCHOOL** (Students: 78; Location: 470 UNION ST, ARRATA, CA; Grades: KG - 5)

Major facilities with environmental interests located in the area:

- **HUMBOLDT STATE UNIVERSITY** (1 HARPS STREET in ARCATA, CA)

  STATE MASTER (California - Hazardous Waste Tracking) – HAZARDOUS WASTE PROGRAM COMPLIANCE ACTIVITY (Tracking inspections of insecticide, fungicide, and rodenticide, and toxic substances)
  Large Quantity Generators, more that 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste))
  Alternative names: CALIFORNIA STATE UNIVERSITY - HUMBOLDT, HUMBOLT STATE UNIVERSITY

- FOXFARM SOIL & FERTILIZER CO (1220 FIFTH ST. in ARCATA, CA) COMPLIANCE ACTIVITY (Tracking inspections of insecticide, fungicide, and rodenticide, and toxic substances)
  STATE MASTER (New Jersey environmental info) - NJEMS-003674, PESTICIDES - MANUFACTURE
  Alternative names: FOX FARM SOIL & FERTILIZER CO.
- LONGS DRUG STORE NO 482 (600 F ST in ARCATA, CA)

- STATE MASTER (California - Hazardous Waste Tracking) - HAZARDOU WASTE PROGRAM
  Small Quantity Generators, between 100 kg and 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste)) - notification
  Organizations: LONGS DRUG STORES CAL (CONTACT/OWNER) , THRIFTY - PAYLESS (CONTACT/OWNER)
  Alternative names: LONGS DRUG STORE #482
- NORTHERN HUMBOLDT UNION HIGH SD (1300 MURRAY RD in MC KINLEYVILLE, CA)

  COMPLIANCE ACTIVITY (Tracking inspections of insecticide, fungicide, and rodenticide, and toxic substances)
  (National Center for Education Statistics) - STATE ID-1235209

- HUMBOLDT COUNTY AVIATION (3561 BOEING AVE in MCKINLEYVILLE, CA)

  STATE MASTER (California - Hazardous Waste Tracking) - HAZARDOU WASTE PROGRAM
  Small Quantity Generators, between 100 kg and 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste)) - notification

- KMART 7390 (1480 CENTRAL in MCKINLEYVILLE, CA)

  STATE MASTER (California - Hazardous Waste Tracking) - HAZARDOU WASTE PROGRAM
  Small Quantity Generators, between 100 kg and 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste)) - notification
  Organizations: KMART CORP (CONTACT/OWNER)

- MAD RIVER COMMUNITY HOSPITAL (3800 JANES RD in ARCATA, CA)

  STATE MASTER (California - Hazardous Waste Tracking) - HAZARDOU WASTE PROGRAM
  Small Quantity Generators, between 100 kg and 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste)) - notification
  Organizations: AMERICAN HOSP MGMT CORP (CONTACT/OWNER)

- ARCATA HIGH (1720 M ST. in ARCATA, CA)

  (National Center for Education Statistics) - STATE ID-1230705
  Organizations: NORTHERN HUMBOLDT UNION HIGH (SCHOOL DISTRICT)

- FIELDBROOK ELEMENTARY (4070 FIELDBROOK ROAD in ARCATA, CA)

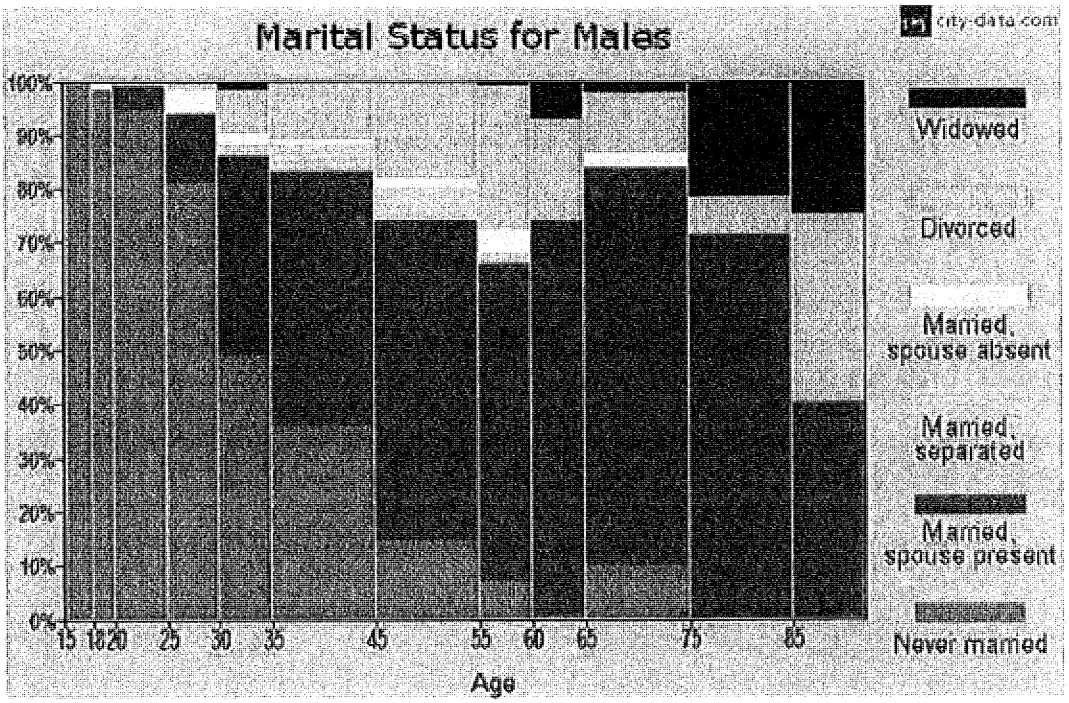
  (National Center for Education Statistics) - STATE ID-6007850

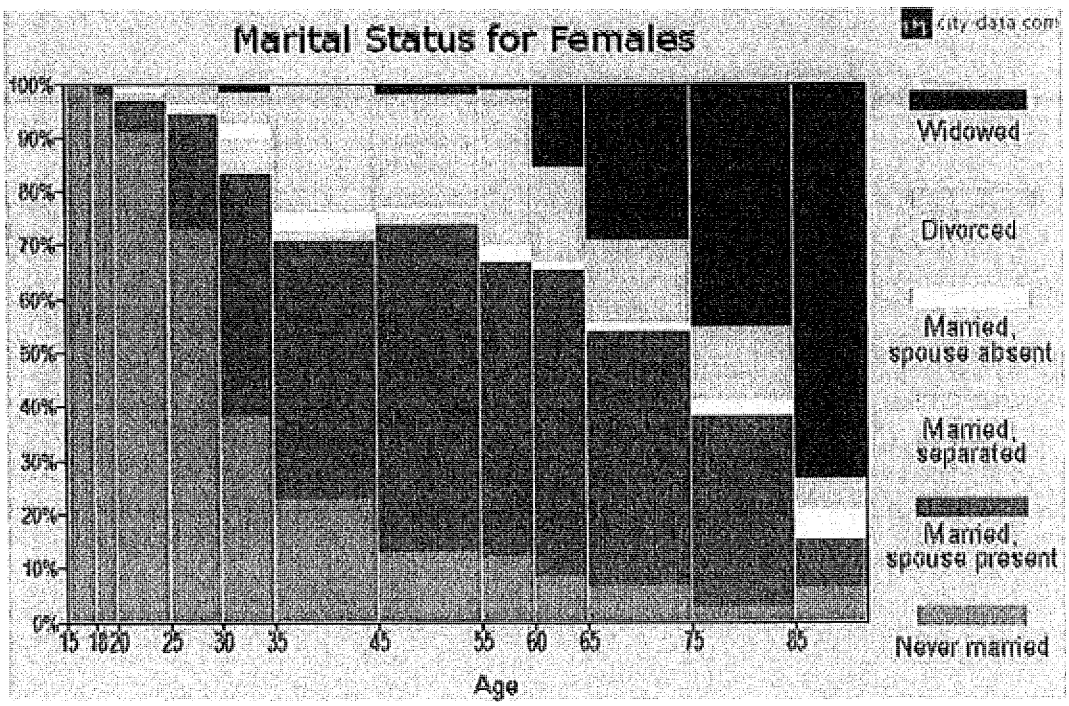
- NORTHERN HUMBOLDT COMMUNITY DAY (5610 WEST END ROAD, SUITE 101 in ARCATA, CA) (National Center for Education Statistics) - STATE ID-1230143
  Organizations: NORTHERN HUMBOLDT UNION HIGH (SCHOOL DISTRICT)
- HUMBOLDT FLAKEBOARD PANELS INCORPORATED (4700 WEST END ROAD in ARCATA, CA) AIR MAJOR (AIRS/AFS)
  COMPLIANCE ACTIVITY (Tracking inspections of insecticide, fungicide, and rodenticide, and toxic substances)
  CRITERIA AND HAZARDOUS AIR POLLUTANT INVENTORY (Inventory of air pollution sources)
  Small Quantity Generators, between 100 kg and 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste)) - notification
  TRI REPORTER (Tracking of toxic chemicals releasing facilities)
  Business SIC classification: RECONSTITUTED WOOD PRODUCTS
  Business NAICS classification: SAWMILLS.
  Organizations: LOUISIANA PACIFIC CORP (CONTACT/OWNER)
  Alternative names: LOUISIANA PACIFIC CORP, LOUISIANA PACIFIC CORPORATION ARCATA PARTICLEBOARD
- ARCATA BODY SHOP (1017 SAMOA BLVD in ARCATA, CA) Small Quantity Generators, between 100 kg and 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste)) - notification
  Business NAICS classification: AUTOMOTIVE BODY, PAINT, AND INTERIOR REPAIR AND MAINTENANCE.
  Organizations: MOTTER FRANCIS W (CONTACT/OWNER)
- ARCATA CORP (1220 5TH ST in ARCATA, CA) Small Quantity Generators, between 100 kg and 1000 kg of hazardous waste/month (Resource Conservation and Recovery Act (tracking hazardous waste)) - notification

Fire-safe hotels and motels in the area:

- Arcata Super 8 Motel, 4887 Vly W Blvd, Arcata, CA 95521, Phone: (707) 822-8888, Fax: (707) 822-2513
- Comfort Inn Arcata, 4701 Vly West Blvd, Arcata, CA 95521, Phone: (707) 826-2827, Fax: (707) 826-9344
- Quality Inn Arcata, 3535 Janes Rd, Arcata, CA 95521, Phone: (707) 822-0409, Fax: (707) 822-1074
- Super 8 Motel, 4887 Vly West Blvd, Arcata, CA 95521, Phone: (800) 626-1900
- Howard Johnson Express Inn, 4700 Valley W Blvd, Arcata, CA 95521, Phone: (707) 826-9660
- Best Western Arcala Inn, 4827 Vly W Blvd, Arcala, CA 95521, Phone: (707) 826-0313
- Arcata Days Inn, 4975 Vly West Blvd, Arcata, CA 95521, Phone: (707) 822-4861, Fax: (707) 822-2036

Sandpiper Park
Market Study





Housing units lacking complete plumbing facilities: 0%

Housing units lacking complete kitchen facilities: 1%

Most commonly used house heating fuel:

- Utility gas (70%)
- Electricity (15%)
- Wood (9%)
- Bottled, tank, or LP gas (5%)
- Fuel oil, kerosene, etc. (1%)
- No fuel used (1%)

Private vs. public school enrollment:

Students in private schools in grades 1 to 8 (elementary and middle school): 155
Here: 10.9%
California: 9.9%

Students in private schools in grades 9 to 12 (high school): 18
Here: 2.3%
California: 7.8%

Students in private undergraduate colleges: 70
Here: 1.2%
California: 15.4%

Companies with federal contracts located in this zip code (ARCATA, CA):

- WALLACE & HINZ INC (1065 K ST # C; small business)

  $27,773 with Air Force for Miscellaneous Furniture and Fixtures. Signed on 2004-02-06. Completion date: 2004-06-14.

- MARIMBA ONE INC (901 O ST; small business)

  $6,800 with Army for Musical Instruments. Taking place in MD. Signed on 2005-09-13. Completion date: 2005-09-30.

- MCAULIFFE, CHRISTOPHER L (1943 ZEHNDNER AVE; small business)

  $3,221 with Army for Other Environmental Services, Studies, and Analytical Support. Taking place in WA. Signed on 2006-05-31. Completion date: 2006-05-04.

- SUN FROST (824 L STREET, SUITE 7; small business)

  $2,544 with Air Force for Hospital Furniture, Equipment, Utensils, and Supplies. Signed on 2005-11-16. Completion date: 2006-02-10.

Top industries in the area by the number of employees in 2005:

- Accommodation and Food Services: Limited-Service Restaurants (100-249 employees: 1 establishment, 20-49 employees: 5 establishments, 10-19 employees: 12 establishments, 5-9 employees: 2 establishments, 1-4 employees: 3 establishments)
- Accommodation and Food Services: Full-Service Restaurants (50-99: 1, 20-49: 8, 10-19: 9, 5-9: 2, 1-4: 7)
- Professional, Scientific, and Technical Services: Research and Development in the Physical, Engineering, and Life Sciences (250-499: 1, 50-99: 1)
- Health Care and Social Assistance: Child Day Care Services (250-499: 1, 10-19: 1, 5-9: 4, 1-4: 5)
- Health Care and Social Assistance: General Medical and Surgical Hospitals (250-499: 1)
- Health Care and Social Assistance: All Other Outpatient Care Centers (100-249: 1, 50-99: 2)
- Health Care and Social Assistance: Residential Mental Retardation Facilities (50-99: 2, 20-49: 2, 1-4: 2)

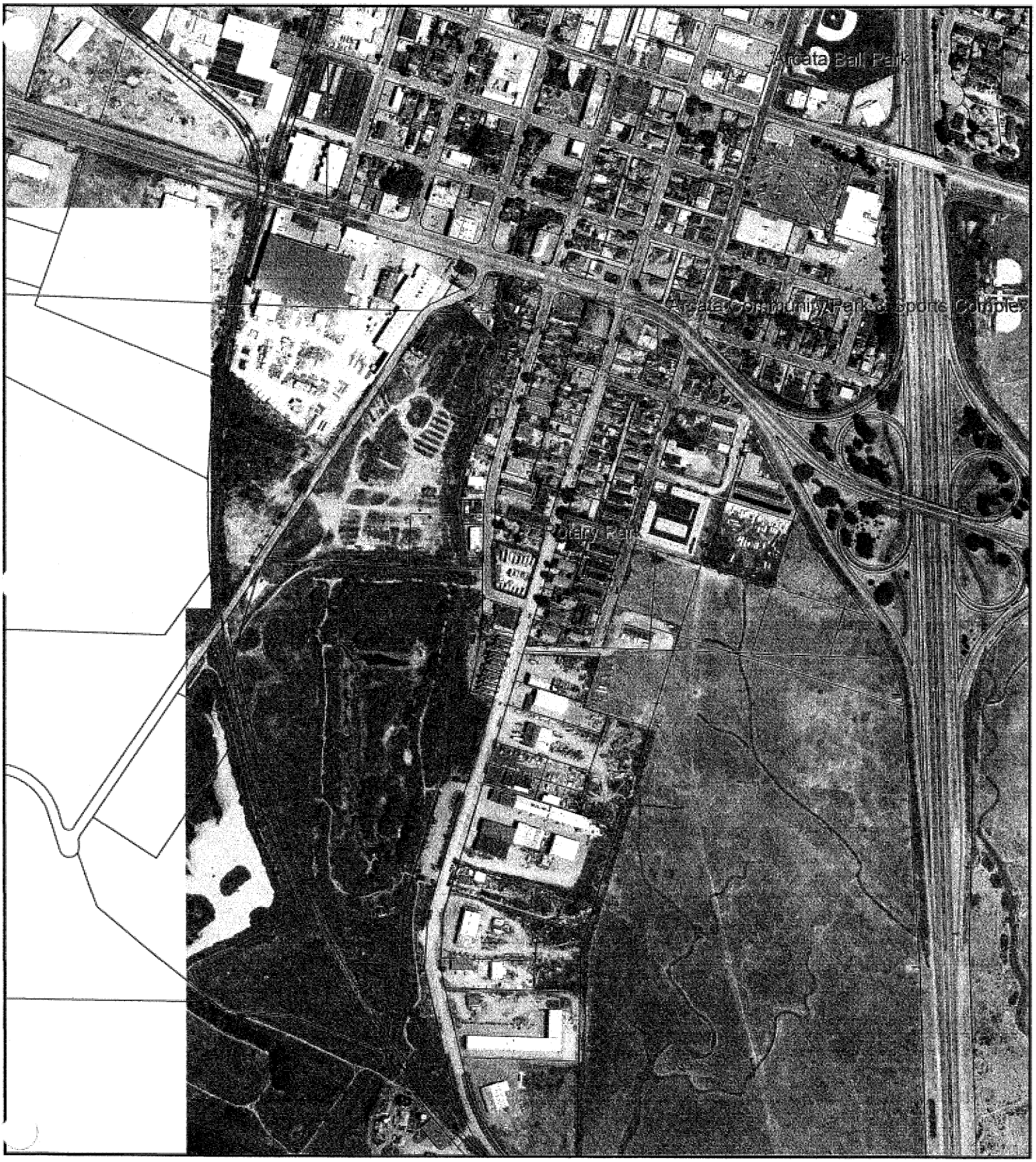
Fatal accident statistics in 2006:

- Fatal accident count: 2
- Vehicles involved in fatal accidents: 3
- Fatal accidents caused by drunken drivers: 1
- Fatalities: 2
- Persons involved in fatal accidents: 5
- Pedestrians involved in fatal accidents: 0

Fatal accident statistics in 2005:

- Fatal accident count: 2
- Vehicles involved in fatal accidents: 2
- Fatal accidents caused by drunken drivers: 0
- Fatalities: 2
- Persons involved in fatal accidents: 5
- Pedestrians involved in fatal accidents: 2

Sandpiper Mobile Home Park Location Map

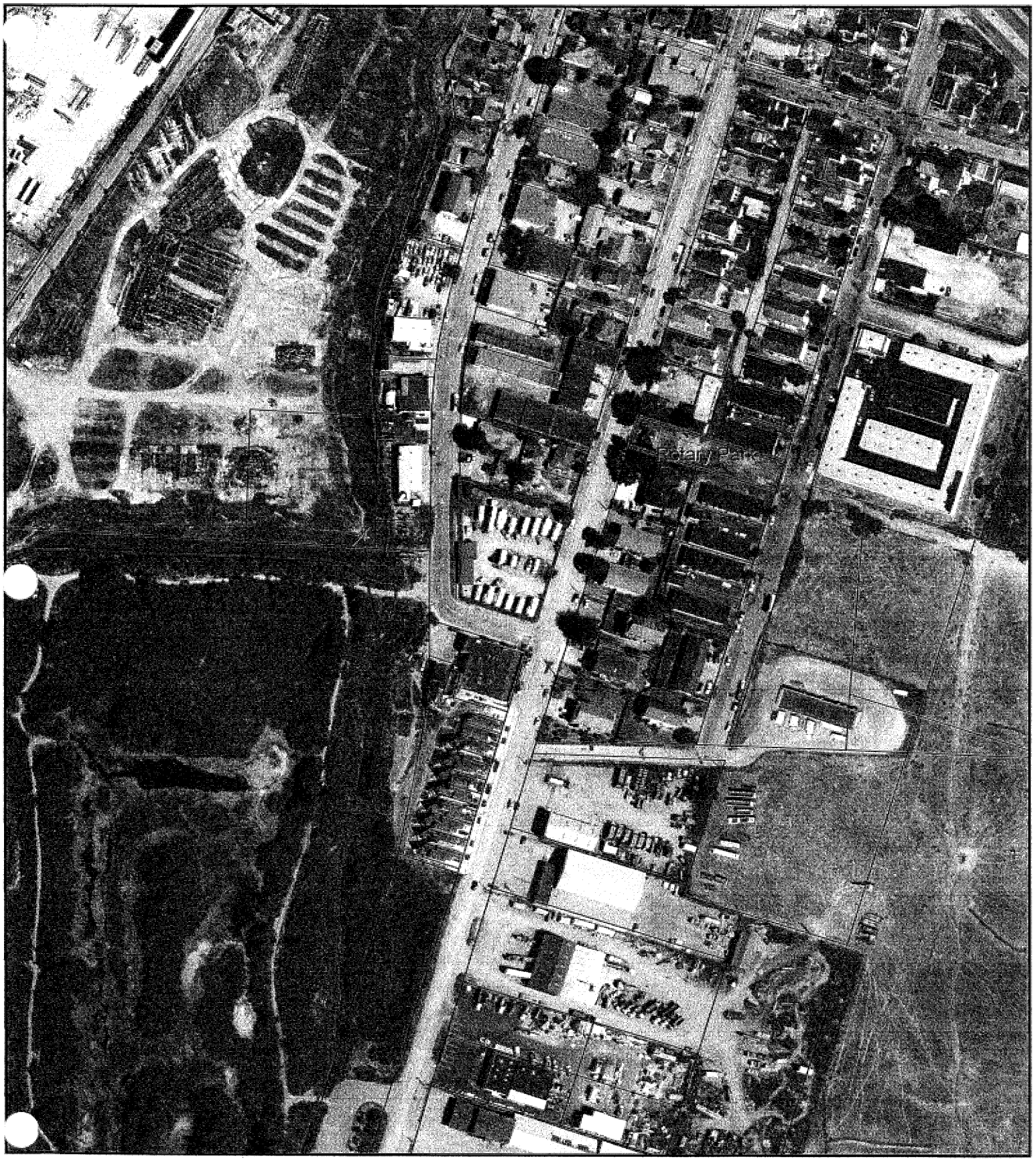


N
W E
S

0 375 750 1,500 Feet

1 inch equals 500 feet

Sandpiper Mobile Home Park Location Map

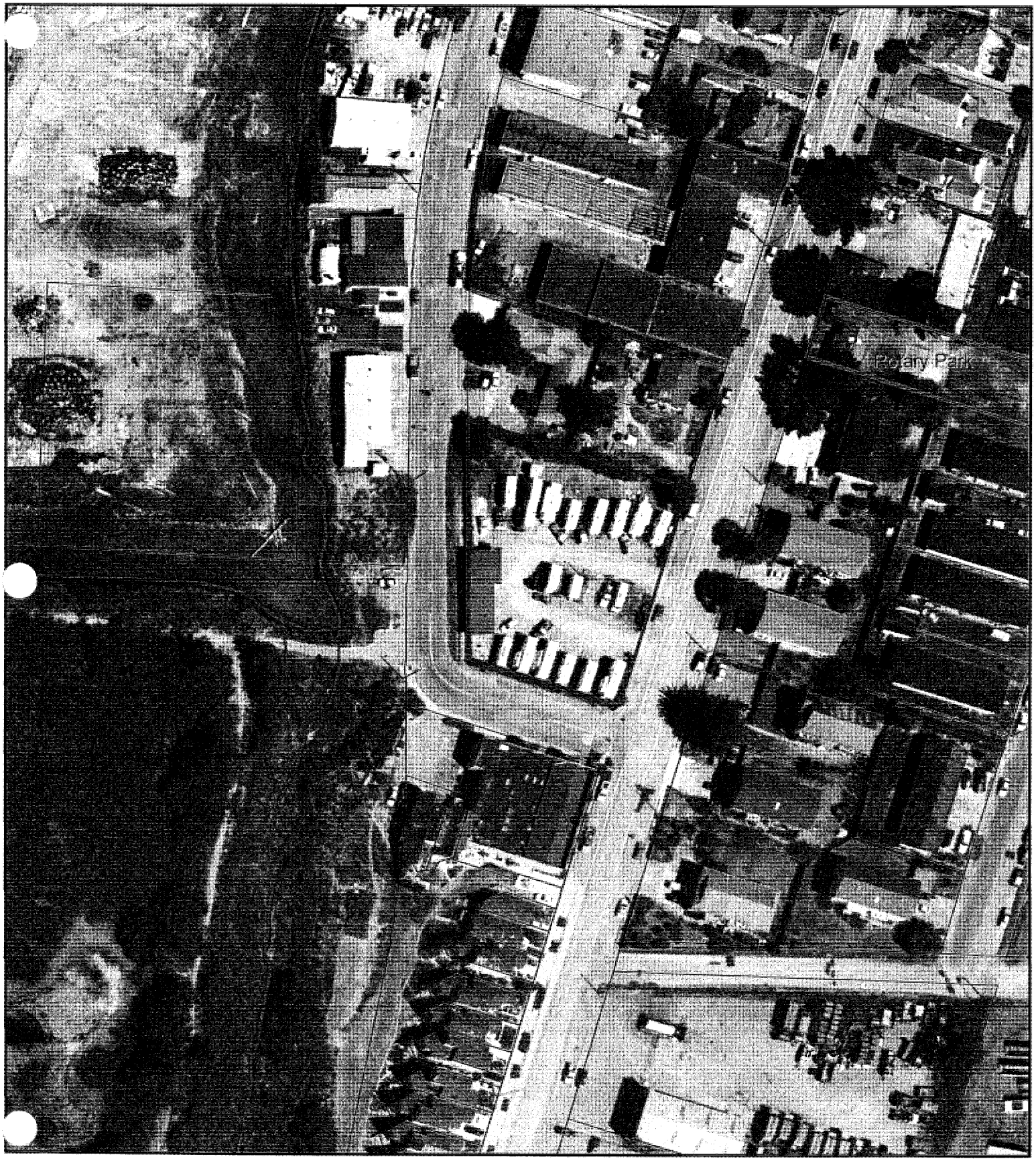


N
W E
S

Feet
0 100 200 400

1 inch equals 200 feet

Sandpiper Mobile Home Park Location Map



N
W E
S

0 50 100 200 Feet

1 inch equals 100 feet

SOILS AND FOUNDATION REPORT

Sandpiper Mobile Home Park
115 South G Street
Arcata, California

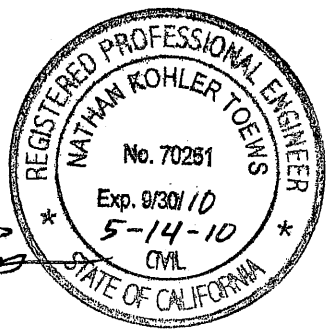
Assessor's Parcel Number 503-224-46

Prepared for:
Winzler & Kelly
633 Third Street
Eureka, California 95501

Prepared by:
LACO Associates
21 W. 4th Street
Eureka, California 95501



Bryan E. Dussell, PG 7947, Exp. 6/30/11



Nathan K. Toews, RCE 70251, Exp. 9/30/10

LACO ASSOCIATES
CONSULTING ENGINEERS
21 W. 4th St. · PO 1023 · Eureka, CA 95502 · 707.443.5054

May 13, 2010
LACO Project No. 7261.01

SOILS AND FOUNDATION REPORT

Sandpiper Mobile Home Park
115 South G Street, Arcata, California
Assessor's Parcel Number 503-224-46
LACO Project No. 7262.01

INTRODUCTION

Site and Project Description

This report presents the results of a Soils and Foundation Investigation conducted to support redevelopment of the Sandpiper mobile home park in Arcata, California. The site is located near the center of Section 32, T6N, R1E, Humboldt Baseline and Meridian, of the United States Geological Survey (USGS) Arcata South 7.5 Minute Series Topographic Quadrangle (Figure 1).

Pertinent project site location information is listed in Table 1 below.

Table 1. Project Location Information

Latitude	40.8619°
Longitude	-124.0887°
USGS 7.5-minute quadrangle	Arcata South

As currently proposed, redevelopment of the Sandpiper Mobile Home Park will involve complete removal of the existing improvements and replacement with a new mobile home park. The new mobile home park will include 18 mobile homes and one wood framed structure to house an office, laundry facility, and two apartments. A new asphalt access road and parking lot will traverse the center of the development (Figure 2). Community water and sewer services are available.

Included in this report is an assessment of the potential geologic hazards associated with the proposed development and recommendations to mitigate the potential effects of such hazards.

Scope

LACO Associates (LACO) was retained to investigate and characterize subsurface soil conditions, assess potential geologic hazards to the site, provide recommended foundation design criteria to be utilized for design and construction of the new developments, and to prepare this report. The specific scope of this investigation included the following:

- Review published geologic maps pertinent to the site and available unpublished geologic reports of this and nearby sites.
- Conduct a field exploration program consisting of geotechnical test pit excavations within the proposed development area.
- Collect undisturbed soil samples from foundation load bearing depths.
- Conduct a laboratory testing program of selected soil samples in the LACO materials testing laboratory to characterize relevant soil properties.

- Prepare this Soils and Foundation Report to meet the permit requirements of the City of Arcata, document the subsurface conditions, and provide foundation and earthwork recommendations to support development of the site with mobile homes and the wood framed building.

Specifically excluded from our Scope of Work were a quantitative liquefaction analysis and an environmental assessment for the presence or absence of any hazardous, toxic, or corrosive materials. Although we have explored subsurface conditions as part of this investigation, we have not conducted any analytical laboratory testing of samples obtained for the presence of hazardous material.

LIMITATIONS

This report has been prepared for the exclusive use of Winzler & Kelly (W&K), their contractors and sub consultants, and appropriate public authorities for specific application to development of the site. LACO has endeavored to comply with generally accepted geotechnical engineering standard of care common to the local area. LACO makes no other warranty, express or implied.

The analyses and recommendations contained in this report are based on data obtained from subsurface explorations. The methods used indicate subsurface conditions only at specific locations where samples were obtained, only at the time they were obtained, and only to the depths penetrated. Samples cannot always be relied upon to accurately reflect stratigraphic variations that commonly exist between sampling locations, nor do they necessarily represent conditions at any other time. Results of any analysis of samples obtained during this project will be retained on file in our office. Unless directed otherwise by our client, collected samples will be discarded after 30 days following the issuance of this report.

The recommendations included in this report are based, in part, on assumptions about subsurface conditions that may only be tested during earthwork. Accordingly, the validity of these recommendations is contingent upon LACO being retained to provide a complete professional service. LACO cannot assume responsibility or liability for the adequacy of the recommendations when they are applied in the field unless LACO is retained to observe construction. We will discuss the extent of such observations required to provide assurance of the validity of our recommendations upon request.

Do not apply any of this report's conclusions or recommendations if the nature, design, or location of the project is changed. If changes are contemplated, LACO should be consulted to review their impact on the applicability of the recommendations in this report. Also note that LACO is not responsible for any claims, damages, or liability associated with any other party's interpretation of

the subsurface data or reuse of this report for other projects or at other locations without our express written authorization.

FIELD EXPLORATION AND LABORATORY TESTING

Field Exploration Program

To assess the *in-situ* soil conditions within the proposed development area, LACO performed an investigation of the soils to a depth of approximately 8.5 feet below ground surface (bgs) on April 23, 2010. The investigation utilized backhoe test pits to visually assess the soil profile and collect soil samples for laboratory analysis. Locations of the backhoe pits are indicated on Figure 2.

Soils were logged in the field in general accordance with ASTM D 2488 Visual-Manual Procedures. Soil samples were delivered to the LACO materials testing laboratory for analysis. Soil profile logs are included as Attachment 1. Where applicable, LACO follows the recommendations provided by Southern California Earthquake Center (SCEC) for the implementation of CDMG Special Publication 117 (SCEC, 2002).

Laboratory Testing

Soil samples collected from the site were submitted to LACO's materials testing laboratory for analysis. The intent of the laboratory analysis was to determine representative index properties of the site soils. The laboratory tests conducted for this investigation included:

- *In situ* moisture/density (ASTM D-2216 / D-2937)
- Atterberg Limits (ASTM D-4318)
- Consolidation (ASTM D-2435)
- R-Value (Caltrans 301)

A summary of the results of LACO's materials testing is presented in Table 2. Laboratory test results are included as Attachment 1.

Table 2. Summary of Materials Testing and Results

Sample Location		Test					
Boring	Depth (feet bgs)	Material Type (USCS)	Percent Moisture (ASTM D 2216)	Dry Density (ASTM D 2937)	Atterberg Limits (ASTM D 4318)	Consolidation (ASTM D 2435)	R-Value (Caltrans 301)
BP-1	1.5'-2.5'	CL-ML	34.7	80.3		C_r=0.025 C_c=0.240 P_c=2000	
BP-1	3.5'-4.5'	ML-CL	35.6	102.3	LL=21.5 PL=18.9 PI=2.6		
BP-5	2.8'-3.8'	ML	35.6	81.2			
RV-1	25.0-26.5	CL-ML					

C_r = Rebound coefficient
C_c = Compression index
P_c = Preconsolidation pressure (psf)
LL = Liquid limit
PL = Plastic limit
PI = Plastic index

LACO will archive all samples collected for this project for 30 days following the issuance of this report. Unless directed otherwise by our client, all samples will be discarded after the 30 day archive period.

SITE AND SUBSURFACE CONDITIONS

Topography and Site Conditions

The site is situated on a low gradient (less than 5%) surface between South G and H Streets in Arcata, California. As mapped by U.S. Geologic Survey, the site is situated at an elevation of approximately 10 feet. Slopes ascend gradually into the foothills of Fickle Hill approximately 2,500 feet northeasterly of the site. The slopes descend gradually into the Arcata Marsh complex located less than 500-feet westerly of the site. Humboldt Bay is located approximately 2,500 feet southwesterly of the site.

Geologic Setting

As noted above, the site is situated on the edge of a large low gradient surface adjacent to Humboldt Bay. Prior to development in the area and the construction of dikes, the low lying soils in the vicinity were tidally influenced and subject to periodic flooding. Based on a review of the site and published geologic maps (CDMG, 1984; McLaughlin *et al*, 2000), the site is underlain by unconsolidated Holocene alluvial deposits. The alluvium is primarily composed of fine grained bay margin sediments that include clays, silts, and fine sands. Coarser deposits of sand and gravel are present in isolated areas as discontinuous lenses within the otherwise fine grain deposits.

At unknown depth, the alluvial deposits unconformably overlie poorly cemented alluvial deposits of the early to middle-Pleistocene Falor Formation. Based on the morphology of the slopes in the vicinity, the contact between the unconsolidated bay margin sediments and underlying poorly cemented alluvium is likely several hundred feet bgs. At even greater depth, the Falor Formation unconformably overlies the Jurassic to Cretaceous age Franciscan Formation bedrock.

Seismicity

This site is not located within a "Fault Rupture Hazard Zone" (Bryant and Hart, 2007) or within an area currently designated as a "Seismic Hazard Zone" by the State. However, the site is located within a seismically active region which is subject to frequent moderate to large earthquakes. North of the Mendocino Triple Junction, the regional tectonic framework is controlled by the Cascadia Subduction Zone (CSZ) wherein oceanic crust of the Juan de Fuca/Gorda plate is being actively subducted beneath the leading edge of the North American plate. The CSZ in its entirety extends from the Mendocino triple junction to British Columbia. Plate convergence along the Gorda segment of the CSZ is occurring at a rate of approximately 30 to 40 millimeters per year (mm/yr) (Heaton & Kanamori, 1984). Rupture along the entire CSZ boundary has the potential to produce an earthquake with a maximum moment magnitude (M_w) of 9.0 or greater (Satake, 2003).

Upper plate crustal deformation associated with the subduction of the Gorda plate is expressed as a 90-kilometer (km) wide fold and thrust belt that comprises the accretionary complex along the North American plate margin (Carver, 1987). Faults associated with the offshore and onshore portions of the CSZ fold and thrust belt include the Little Salmon fault and Mad River fault zone.

The site is situated near the southern end of the Mad River fault zone. The Fickle Hill fault is located approximately 2,500 feet northwesterly of the site (Figure 1), and is the closest recognized active fault to the project site (CDMG, 2000). The Little Salmon fault, another active fault, is located less than 10 miles south of the site. Both the Fickle Hill and Little Salmon faults are northwest-striking, northeast-dipping, low-angle thrust faults. The upper-bound earthquakes considered likely to occur on the Fickle Hill and Little Salmon faults have an estimated M_w of 6.9 and 7.0, respectively (Petersen et al., 1999).

Based on the record of historical earthquakes (approximately 150 years), faults within the plate boundary zone and internally deforming Gorda Plate have produced numerous small-magnitude and several moderate to large (i.e. magnitude greater than 6) earthquakes affecting the local area. Several active regional seismic sources in addition to the CSZ, Fickle Hill, and Mad River faults are proximal to the project site and have the potential to produce strong ground motions. These seismic sources include the following:

- The northern segment of the San Andreas transform fault that represents the boundary between the stable North American plate and the northwest-migrating Pacific plate.

- The Mendocino fault, an offshore, high-angle, east-west-trending, right-lateral strike-slip fault that forms the boundary between the Gorda and Pacific plates.
- Faults within the internally-deforming Gorda plate consisting of high-angle, northeast-trending, left-lateral, strike-slip faults.

SUBSURFACE CONDITIONS

Native Site Soils

Review of unpublished geotechnical investigations previously conducted in the vicinity of the project site (LACO, 2000; BGC, 2005; LACO, 2008) and the subsurface data obtained during the current site investigation (Figure 2) indicate that the shallow soils underlying the site primarily consist of geologically young, unconsolidated, fine-grain bay margin sediments capped by a relatively thin layer of imported fill soils.

The fill soils across the surface of the site are primarily composed of 0.5 to 1.5 feet of imported "river run" well graded sand with gravel that overlie less than a foot of silty sand and sandy clay. In general, the imported fill materials have dense/stiff consistency and do not contain a significant volume of organic debris.

Beneath the fill soils are an undetermined thickness of soft, saturated silts and clays. Samples collected from the field indicate that the dry density of the subsoils soil ranges from 80 pcf to 102 pcf. Results from consolidation testing of the native soils at a depth of 2.5 feet bgs indicate that the subsoils enter into virgin compression at approximately 2,000 psf.

Detailed descriptions of the soils exposed in the geotechnical borings are provided on the soil logs included as Figures 3 through 7.

Groundwater Conditions

All five of the backhoe test pits recorded saturated conditions at depths of 2.8 to 4.5 feet bgs. The saturated soils were gleyed (reduced), indicating that they are saturated for most of the year. Based on the observed saturated conditions and gleyed appearance of the soil, groundwater is anticipated to remain within 4.5 feet of the existing ground surface year round.

GEOLOGIC AND SOIL HAZARDS

Potential geologic and soil hazards assessed for the site include seismic ground shaking, surface fault rupture, liquefaction and related phenomena, settlement, flooding and high groundwater, and swelling or shrinking soils. The assessments for these potential hazards are presented below.

Seismic Ground Shaking

As noted above, the site is situated within a seismically active area and multiple seismic sources exist in the vicinity that are capable of producing moderate to strong ground motions. Given the proximity of significant active faults (the Fickle Hill fault to the north, Little Salmon fault to the south, and the Cascadia subduction zone offshore), as well as other active faults within northern California, this site will experience ground shaking of some magnitude during the economic life span of any development on the site. The risk of ground shaking at the site is high. According to the California Geologic Survey, there is a 10 percent chance that site will experience ground shaking of 0.64g or more, within the next 50 years (CGS, 2008).

Site specific spectral response accelerations are presented in the recommendations section of the report (Table 3).

Surface Fault Rupture

The Fickle Hill fault is located approximately 2,500 feet northwest of the site (Figure 1), and is the closest recognized active fault to the proposed development (CDMG, 1983 and 2000). However, the site is not located within an Alquist-Priolo earthquake fault zone and does not require a trench-based fault rupture hazard evaluation. Based on the distance between the site and the closest active fault, the potential for surface fault rupture to occur within the site is low.

Liquefaction

Liquefaction is the loss of soil strength, resulting in fluid mobility through the soil. Liquefaction typically occurs when uniformly-sized, loose, saturated sands or silts that are subjected to repeated shaking in areas where the groundwater is less than 50-feet bgs. In addition to the necessary soil and groundwater conditions, the ground acceleration must be high enough, and the duration of the shaking must be sufficient, for liquefaction to occur. Performing a quantitative liquefaction analysis was specific excluded from our scope of work for this project.

As presented on Map S-1 of Special Publication 115 (CDMG, 1995), the project site is located in an area with a high liquefaction potential. Similarly, the Hazards Map compiled by the City of Arcata (City of Arcata, 2000) also indicates that the site is in an area with a high susceptibility to liquefaction. Recent quantitative liquefaction analysis in the vicinity confirms high liquefaction potential of subsurface soils (LACO, 2000; BGC, 2005; LACO, 2008).

In the absence of a site-specific liquefaction analysis, we assume that the risk of liquefaction at this site is high. The consequence of liquefaction at this site will likely be dynamic settlement.

Settlement

The site is covered with up to 2-feet of densely compacted, imported river-run gravel. Approximately 1.5 to 2 feet of additional aggregate base rock fill will be imported to portions of the site to create a uniform finished grade and to allow for positive drainage toward G and H Streets.

Static Settlement

Static settlement is the result of compressive deformation of soil beneath an applied load. The compressive deformation generally results from a reduction in voids within the soil. In dry or granular soils, the compression of the soil occurs relatively rapidly. However, the compressive deformation in fine grain soils occurs very slowly.

To evaluate the settlement potential of the native fine grain soils beneath the site, one representative sample was selected for one-dimensional consolidation testing (ASTM 2435). The following parameters were determined by the laboratory test:

From Consolidation Curve (Attachment 1)

BP-1 at 2.5 feet bgs	
Compression Index (Cc)	**0.240**
Recompression Index (Cr)	**0.025**
Preconsolidation Pressure (Pc)	**2,000 psf**

The consolidation test data indicate that the shallow fine grain subsoils (located below the imported granular fill) at the site are sensitive to loads in excess of 2,000 psf. Beyond 2,000 psf the shallow soils enter into virgin compression.

Using an allowable foundation bearing pressure of 1,500 psf, estimated settlements for a 24-inch by 24-inch square footing founded entirely on the fine grain native soils is approximately 1/3 of an inch.

Predicted static settlement in the existing granular fills soils that cover the site is estimated to be less than ¼ inch at 1,500 psf under the lightly loaded mobile homes. The static settlement of the granular soils is anticipated to occur relatively quickly during the construction phase of the project as the soils are loaded.

Differential Settlement

The shallow soils at this project site are primarily composed of granular fill soils over fine grain in-place native materials. Within the area of individual building sites, the subsurface stratigraphy is anticipated to be relatively uniform. Provided all load bearing structural elements are founded on

similar materials of similar thickness and foundations are distributed such that they carry similar loads, the risk of differential settlement is low.

Slope Instability/Landsliding

Lateral spreading, which is the lateral displacement of surficial soils, is usually associated with liquefaction of the underlying soils. The potential liquefaction hazard at the site is considered to be moderate to high based on available published data. However, due to the lack of relief in the area the potential for liquefaction induced lateral spreading to occur is low.

The project site is located on a nearly level surface. The closest slopes to the site are the gradually ascending foothill slopes of Fickle Hill. According to the Humboldt County Community Development Service, the low gradient slopes on which the site is located is considered "Relatively Stable" (HCCDS, 2004). Additionally, geomorphic mapping of the area by the State indicates that there are no active or dormant landslides in the immediate vicinity of the site (CDMG, 1984).

Based on the lack of relief in the vicinity of the site and the absence of features indicative of slope instability, the potential for slope instability to pose a hazard to the new development at this site is negligible.

Flooding, Tsunami, and High Groundwater

100-Year Flood Zone

The Arcata General Plan 2020 Hazards Map (City of Arcata, 2000) indicates that the site is not within the 100-year flood zone. However, the neighboring properties to the west at similar elevation are mapped within the 100-year flood zone. Based on the lack of relief between the site and the neighboring properties, the risk of flooding from a 100-year event at the site is high. Estimating the potential hazard of a flood event with a return interval greater than 100 years is beyond the scope of this investigation, and is typically not considered significant in the design and permitting process.

Tsunami

Tsunami hazard mapping by the City of Arcata (2000) indicates that the site is not within a predicated run-up zone. However, recent tsunami hazard maps by the State (CGS, 2009) indicate that the site is within a predicated tsunami run-up zone.

Based on the tsunami hazard map by published by the state of California, the risk of tsunami inundation at the site is high.

High Groundwater

As noted above, groundwater at the site is located within 5 -feet of the ground surface. Therefore, the risk of high groundwater is high.

Dam Failure Inundation

Based on dam inundation maps prepared by the Humboldt County Community Development Service, the site is not located within the modeled inundation zone associated with failure of the Mathews Dam (Ruth Lake). Therefore, the risk of flood associated with failure of the Mathews Dam is negligible.

Soil Swelling or Shrinkage Potential

Expansive soils represent a significant structural hazard to buildings founded on clayey soils where site conditions cause a seasonal fluctuation in soil moisture. An atterburg limit test of the clayey subsoils at this site indicates a plasticity index of (PI) of 2.6 (see Appendix 1). Soils with a plasticity index less than 15 generally have a "low" expansion potential, therefore, the risk of expansive soils at this site is considered low.

CONCLUSIONS AND DISCUSSION

1) The proposed development site is underlain by relatively young, poorly consolidated, fine grain soils.
2) A qualitative assessment of the potential for liquefaction to occur at this site, based on available published mapping, soil type, the depth-to-groundwater, and the review of previous subsurface investigations in the vicinity, indicate that there is a high risk of liquefaction associated with the design basis earthquake. Coincident with a liquefaction event is the potential for dynamic settlement of the soils underlying the area to be developed.
3) The closest recognized active fault is the Fickle Hill fault. The active zoned segment of the Fickle Hill fault is located approximately 2,500 feet northeast of the site. The risk of fault surface rupture at the site, however, is low.
4) Based on the results of our investigation, geologic and soil hazards which may adversely affect the proposed development include settlement, seismic shaking, liquefaction, and dynamic settlement. Although the risks of these hazards are high and have the potential to incur structural damage if left unmitigated, they are typical of the Humboldt Bay and north coast region and are assumed by other developments in the area. The recommendations included in this report are intended to reduce the potential consequences of the identified hazards.
5) The level of mitigation to reduce the consequences resulting from the dynamic settlement and liquefaction hazards associated with strong earthquake ground shaking is at the discretion of the developer. Mitigation for a liquefaction hazard can range from minor structural improvements to extensive site preparation and specialized foundation design.

RECOMMENDATIONS

Foundation Design

The development plan for this site includes both mobile homes and a standard wood framed structure. As proposed, the mobile homes will be founded on isolated pier footings while the wood framed structure will be founded on either a concrete slab or concrete perimeter footing.

Mobile Homes

Based on the relatively light loads of the mobile homes and generally high quality of the existing undocumented fill soils observed across the site, the foundations for the mobile homes may be supported on the existing undocumented fill provided:

1. The footings are founded on a firm and unyielding surface free of organic debris and/or trash.
2. The mobile home can accommodate potential differential settlements up to 1-inch associated with loading the undocumented fill materials.
3. The developers and/or residents of the mobile homes can accept the potential for the above noted settlements and the liquefaction hazard of the site. Minor foundation settlement of mobile homes can usually be readily corrected. Large settlements due to liquefaction may require reconstruction of the foundation.
4. The footings are distributed to provide similar bearing loads at each location.

If the above conditions can not be met or accepted, the mobiles homes must be founded on foundations that are designed in accordance with the following recommendations for "*Wood Framed Structures*".

Wood Framed Structures

The following foundation recommendations assume a two story multi-family residential non-critical structure. The foundation design alternatives depend on the risk tolerance of the project site owner and economic considerations.

Due to the presence of seasonally high groundwater, soft to poorly consolidated soils, and the assumed high liquefaction hazard, a standard "code" foundation design is not appropriate for wood framed buildings on this site. An engineered solution is recommended to mitigate the identified hazards. A typical method for mitigating these hazards is to design a structural slab foundation that is either supported by a mat of structural fill, deep piers/piles, or a combination of both. The intent behind the structural slab foundation is to reduce the potential for excessive differential and total settlement, and to reduce the potential for complete structural failure following a liquefaction event.

Utilization of a deep pile or pier foundation is intended to minimize settlements and preserve the functionality and utility of the structure following seismically induced liquefaction. Ultimately, the appropriate foundation design depends on the development team's decision on whether or not continued use of the structure following a liquefaction event is worth the additional cost of a deep foundation system.

LACO recommends two foundation design alternatives to mitigate the potential consequences of liquefaction to wood framed structure at this site.

- **Option 1** is a shallow foundation design consisting of a structural mat supported on a 2.0-foot thick (minimum) section of controlled (structural) fill.
- **Option 2** is a reinforced concrete mat foundation supported on a deep foundation to reduce the risk of slab deformation, settling, and/or tilting during a liquefaction event.

*Structural Mat Foundation on Structural Fill (**Option 1**)*

To mitigate the hazards from settlement, high groundwater and liquefaction-induced structural damage, a structural slab foundation supported on a structural fill may be utilized. It is recommended that the perimeter foundation and slab on grade be poured monolithically. Foundation elements should be designed to resist bending forces due to differential settlement associated with potential liquefaction events. Isolated foundation elements supporting structural loads should be tied together with grade beams or the structural slab to reduce the magnitude of differential dynamic settlement and the potential for structural collapse.

Due to the soft consistency of the site soils, the structural fill should rest on a geotextile fabric (such as Propex 2019 or equivalent), that in turn rests on either undisturbed native subsoil or the existing granular fill soils. To construct the structural fill, excavate out any existing organic debris, topsoils, or soft/loose existing fill soils to a minimum depth of 24 inches below foundation bearing depth. Proof roll the resulting surface prior to placement of the geotextile. The limits of the structural fill should extend a minimum of 5 feet outside the perimeter of a proposed structure.

The thickness of the structural fill should be sufficient to provide a minimum of 2.0 feet of compacted structural fill between the base of the footing and the geotextile fabric.

Be advised that this type of foundation design may not preserve the function and utility of the structure following a liquefaction event as well as a deep foundation system (Option 2).

*Mat Foundation Supported on Piers/Piles (**Option 2**)*

To maximize the potential for continued use following a liquefaction event, support the foundation with either reinforced concrete piers or driven wooded piles that are tied together with grade beams. To resist liquefaction at this site, the piers must gain support from competent sediments below the

liquefiable materials. Additional subsurface exploration and a site specific liquefaction analysis is recommended to determine the depth of liquefiable soils and provide design details for a deep foundation system.

Where continued use of the development is desired following a liquefaction event, flatwork areas outside of the deep foundation supported structure should be designed to accommodate settlements and/or allow for repair. Flexible utility lines and utility line connections are recommended where underground utilities enter the building.

Moisture Control for Concrete Slab Foundations

All concrete slabs intended for habitable space should be underlain by at least 8-inches of compacted fill consisting of 6-inches of Class 1, Type A permeable material (per Caltrans), to act as a capillary moisture break. To reduce the possibility of moisture migration through any floor slab-on-grade, a 10 mil plastic membrane (vapor retarder) should be placed on the prepared gravel subgrade. To protect the membrane during steel and concrete placement, and to provide for a better concrete finish, cover the membrane within at least 2-inches of clean sand. The sand layer over the vapor barrier is primarily intended to protect the barrier from puncture during construction. The sand layer may be omitted if a puncture resistant vapor barrier, such as VaporBlock 15 by Raven Industries (or equivalent), is used. If the sand layer is omitted from the design, extra care must be taken during construction to avoid puncturing the VaporBlock.

Be advised that LACO's recommendations for concrete slab moisture barriers are not intended to eliminate potential slab moisture problems. Rather, the recommendations are intended to reduce to the potential for moisture to infiltrate through the concrete. Flooring consultants and/or flooring manufactures should be consulted for slab design where finishes require stringent moisture control.

Allowable Soil Bearing Pressures

The undisturbed native subsoils are primarily soft silts and clays. Based on the results of consolidation testing of the shallow site soils (see "Settlement" section of report) and our experience with similar soils, all load-bearing foundation elements should be designed with an allowable foundation bearing pressure of 1,500 psf or less, for dead load and long-term live load. An increase of one-third is permitted (in Section 1605.3.2, 2007 CBC), when using alternate load combinations that include wind or earthquake loads.

Load-bearing foundation elements founded on the compacted structural fill with a minimum thickness of 2-feet below the base of the foundation may be designed with an allowable foundation bearing pressure of 2,000 psf or less, for dead load and long-term live load. An increase of one-third is permitted (in Section 1605.3.2, 2007 CBC), when using alternate load combinations that include wind or earthquake loads.

At minimum, all footings should be designed and sized in accordance with the 2007 CBC. Where necessary, lateral soil pressures and sliding resistance shall be based on the more conservative of an engineering analysis performed to the standard of care or values presented in the 2007 CBC.

Seismic Design Parameters

Based on the 2007 CBC, the project site is classified as a Site Class D consisting of a "Stiff soil profile" (Section 1613.5.2, CBC, 2007). The following parameters are based on this classification and were determined using ASCE Standard 7-05, Minimum design loads for buildings and other structures (USGS, 2010).

Table 3. Spectral Response Accelerations

Site Information	Latitude	40.8618°
	Longitude	-124.0887°
	Occupancy Category	II
	Seismic Design Category	E
	Site Class	D
Site Coefficients	F_a	0.9
	F_v	2.4
Response Accelerations	S_{MS}	2.131
	S_{M1}	1.957
	S_{DS}	1.421
	S_{D1}	1.305

Site Preparation

The area proposed for development is currently developed with an existing mobile home park. Any asphalt concrete pavement, concrete foundations, building rubble, sod, topsoil, and any other debris encountered at, or below the existing ground surface, should be removed from areas supporting structural loads. All earthwork, including, but not limited to, site clearing, grubbing, and stripping should be conducted during dry weather conditions. Failure to comply with these recommendations could result in excessive rutting and mixing of organic debris with the underlying soils.

Temporary Excavations

All construction slopes should be designed and excavated in compliance with applicable local, state, and federal regulations, including the current OSHA Excavation and Trench Safety Standards.

Construction equipment, building materials, excavated soil, vehicular traffic, and other similar loads should not be allowed near the top of any un-shored or un-braced excavation. Where the stability of adjoining buildings, walls, pavements, or other similar improvements may be endangered by excavation operations, support systems such as shoring, bracing, or underpinning may be required to provide structural stability and to protect personnel working in the excavation.

Since excavation operations are dependent on construction methods and scheduling, the contractor shall be solely responsible for the design, installation, maintenance, and performance of all shoring, bracing, underpinning, and other similar systems. Under no circumstances should any comments provided herein be inferred to mean that LACO assumes any responsibility for temporary excavations, or the safety thereof, nor does LACO assume any responsibility for the design, installation, maintenance, and performance of shoring, bracing, underpinning, or similar systems.

Cut and Fill Slopes

The current development plan does not include permanent un-retained cut or fill slopes. In the event that un-retained cut and/or fill slopes greater than 3-feet high are required, they should be constructed in accordance with the Humboldt County Grading Ordinance and Appendix J (or equivalent) of the current building code.

Subgrade Preparation

Areas to receive fill should be cleared of any existing asphalt concrete pavement, concrete foundations, building rubble, sod, topsoil, and any other debris. The subgrade surface should be sloped at 10 percent or less. Vertical sides or steps may necessary in some situations to achieve the required maximum slope. The exposed subgrade should be prepared in one of the following two manors:

1. Scarify and recompact the upper 6-inches to a minimum of 90 percent of the maximum relative dry density as determined by ASTM D1557 method; OR
2. Proof roll under the supervision of the project engineer or their representative. Proof rolling should be conducted with a fully loaded 10 yard dump truck with a minimum rear axel load of 8 tons or equivalent. The subgrade surface should provide a firm and unyielding surface under the load of the dump truck. Unsuitable soils identified during proof rolling should either be removed and replaced or addressed through supplemental recommendations from the Project Engineer.

Structural Fill

Structural fill materials used to support foundations, floor slabs, sidewalks, and pavements should be composed of non-expansive, low plasticity material free of organic material, debris, and other delcterious material. Structural fills should be placed on a prepared subgrade as specified above. The material should contain no rocks larger than 3-inches in greatest dimension, nor more than 15 percent larger than 2-inches. Additionally, the material should meet the following specifications:

Plasticity index:	<12
Liquid Limit:	<30
Percent passing No. 200 sieve:	50 maximum, 5 minimum

The native soils beneath this site are not suitable for reuse as a structural fill.

Compaction Standard

Unless directed otherwise the Project Engineer or their representative, structural fill should be compacted to a minimum of 90 percent of the maximum relative dry density as determined by ASTM D1557 method. A qualified field technician should be present to observe fill placement and perform field density tests per ASTM D-6938 at random locations throughout each lift to verify that the specified compaction is being achieved by the contractor. The structural fill should be placed on a prepared subgrade as specified above in loose lifts less than 8-inches thick.

Utility Trenches

Utility trench excavations should anticipate encountering soft saturated soils at depths less than 5-feet below the existing grade. Utility lines should be designed to accommodate the soft saturated conditions. Additionally, trench dewatering may be necessary.

Where trenches closely parallel a footing and the trench bottom is within a two horizontal to one vertical plane, projected outward and downward from any structural element, concrete slurry should be utilized to backfill that portion of the trench below this plane. The use of slurry backfill is not required where a narrow trench crosses a footing at or near a right angle.

Pavement

Pavement Design

The pavement structural section should be designed by a qualified design professional to withstand the anticipated traffic loads over the design life of the facility. A flexible paving system may be used for this site consisting of asphalt concrete (AC) placed over compacted Class 2 Aggregate Base (AB) which in turn rests on a prepared subgrade.

R-Value

An R-value test conducted on a composite sample of the native fine grain soils located at a depth of 1.5 to 2.5 feet bgs indicates an R-value of 10 with an expansion pressure of 100 psf (Attachment 1).

Pavement Subgrade Preparation

The surface of the site is covered with undocumented imported granular fill soils. Where investigated, the granular fill soils are generally quality materials that are suitable for reuse as a road subgrade provided that all existing asphalt concrete pavement, concrete foundations, building rubble, sod, topsoil, and any other debris are removed.

To reuse the existing granular fill as a road subgrade, grade the surface to the desired elevation then scarify and recompact the upper 6-inches of the subgrade to 95 percent relative density per CalTrans test methods Cal 216/231. Soft spots or areas that do not meet the required compaction standard may have to be over-excavated and replaced with structural fill that is placed, compacted, and tested as recommended in this report.

Structural fills and Class 2 base rock (or equivalent) used beneath pavement sections should be compacted to 95 percent relative density per CalTrans test methods Cal 216 and 231 within 30-inches of the finished surface. Structural fills deeper than 30-inches below finish grade may be compacted to 90 percent relative compaction.

Compaction testing may be performed using ASTM methods provided the specified relative densities noted in the preceding paragraphs are maintained.

Drainage

The site should be graded to provide positive drainage away from foundations. A minimum gradient of three percent should be maintained for all hardscaped areas. A five percent gradient should be maintained for landscaped areas within 10-feet of a structure. The grading or landscaping design and construction should be such that no water is allowed to pond on the site, nor to migrate beneath any structure. Runoff from hardscaped areas, roofs, patios, and other impermeable surfaces should be contained, controlled, and collected, and tight-lined to the storm drainage system.

Observation and Testing

To assure conformance with the specific recommendations contained within this report, and that assumptions made in the preparation of this report are valid, LACO should be retained for the following:

- Monitor site grading and inspect exposed subgrade prior to placement of structural fills and/or pavement sections.
- Observe foundation excavations prior to placement of any forms or reinforcing steel.
- Monitor the placement of structural fill, and test all structural fill to verify the required relative compaction is achieved.

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Figure 3: Excavation Log for BP-1
Figure 4: Excavation Log for BP-2
Figure 5: Excavation Log for BP-3
Figure 6: Excavation Log for BP-4
Figure 7: Excavation Log for BP-5

Attachment 1: Laboratory Test Results

BED:tmc

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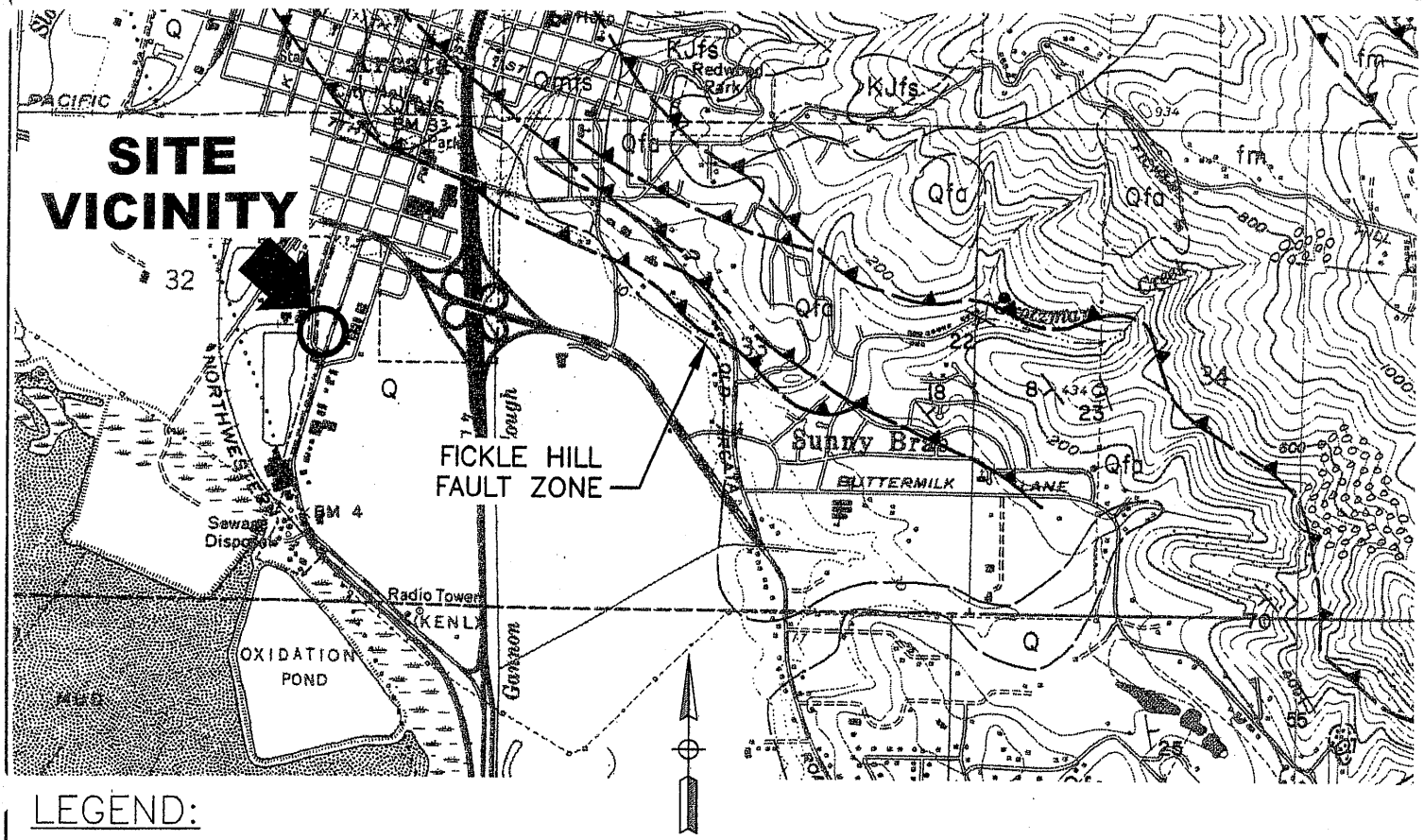
LACO ASSOCIATES CONSULTING ENGINEERS 21 W 4TH ST. EUREKA, CA 95501 (707)443-5054	PROJECT SANDPIPER MOBILE HOME PARK	BY JDB	FIGURE 1 OF 2
	CLIENT WINZLER & KELLEY	DATE 5/3/09	
	LOCATION 115 SOUTH G STREET, ARCATA	CHECK BED	JOB NO. 7262.01
	GEOLOGY & LOCATION MAP	SCALE 1"=2,000'	



LEGEND:

TRANSLATIONAL/ROTATIONAL SLIDE: relatively cohesive slide mass with a failure plane that is deep-seated in comparison to that of a debris slide of similar areal extent; sense of motion along slide plane is linear in a translational slide and arcuate or "rotational" in a rotational slide; complex versions with rotational heads and translational movement or earthflows downslope are common; translational movement along a planar joint or bedding discontinuity may be referred to as a block glide; ⌃ indicates scarp, ⟸ indicates direction of movement; dashed where dormant, queried where uncertain.

EARTHFLOW: mass movement resulting from slow to rapid flowage of saturated soil and debris in a semiviscous, highly plastic state; after initial failure, the flow may move, or creep, seasonally in response to destabilizing forces; ⌃ indicates scarp, ⟵ indicates direction of movement; dashed where dormant.

DEBRIS SLIDE: unconsolidated rock, colluvium, and soil that has moved slowly to rapidly downslope along a relatively steep (generally greater than 65 percent), shallow translational failure plane; forms steep, unvegetated scars in the head region and irregular hummocky deposits (when present) in the toe region; scars likely to ravel and remain unvegetated for many years; revegetated scars recognized by steep, even-faceted slope and light-bulb shape; includes scarp and slide deposits; solid where active, dashed where dormant.

DEBRIS SLIDE SLOPE: geomorphic feature characterized by steep (generally greater than 65 percent), usually well vegetated slopes that have been sculpted by numerous debris slide events; vegetated soils and colluvium above shallow soil/bedrock interface may be disrupted by active debris slides or bedrock exposed by former debris sliding; slopes near angle of repose may be relatively stable except where weak bedding planes and extensive bedrock joints and fractures parallel slope.

ACTIVE SLIDE: too small to delineate at this scale.

DISRUPTED GROUND: irregular ground surface caused by complex landsliding processes resulting in features that are indistinguishable or too small to delineate individually at this scale; also may include areas affected by downslope creep, expansive soils, and/or gully erosion; boundaries usually are indistinct.

DEBRIS SLIDE SLOPE: geomorphic feature characterized by steep (generally greater than 65 percent), usually well vegetated slopes that have been sculpted by numerous debris slide events; vegetated soils and colluvium above shallow soil/bedrock interface may be disrupted by active debris slides or bedrock exposed by former debris sliding; slopes near angle of repose may be relatively stable except where weak bedding planes and extensive bedrock joints and fractures parallel slope.

ACTIVE SLIDE: too small to delineate at this scale.

DISRUPTED GROUND: irregular ground surface caused by complex landsliding processes resulting in features that are indistinguishable or too small to delineate individually at this scale; also may include areas affected by downslope creep, expansive soils, and/or gully erosion; boundaries usually are indistinct.

Qmts MARINE TERRACE DEPOSITS (Quaternary): poorly to moderately consolidated marine silts, sands, and gravels forming flat benches on wave-cut surfaces.

Qh BOOKTON FORMATION (Pleistocene): predominantly orange-brown, nonmarine sandstone with some clay and gravel; sandstone usually is medium-grained, well sorted, and poorly cemented; included are minor beds of well rounded pebbles of chert, quartz, and some greenstone ranging from 4 to 16 millimeters in size; in some exposures, cobbles up to 100 millimeters are present.

Qfa FALOR FORMATION (Early to Middle Pleistocene): fluvial and shallow-water marine sediments; includes pebble- to cobble-sized conglomerate, sandstone, and silt.

QTwu WILDCAT GROUP UNDIFFERENTIATED (Pleistocene-Miocene): mudstone, shale, sandstone, siltstone, and minor amounts of conglomerate.

Ty YAGER FORMATION (Tertiary): well consolidated silty shale, siltstone, sandstone, mudstone, and conglomerate; highly sheared in places; silty shale and mudstone often disaggregate by slaking when wetted.

KJfs CENTRAL BELT FRANCISCAN SEDIMENTARY ROCKS (Cretaceous-Jurassic): well consolidated sandstone, siltstone, and shale with minor amounts of conglomerate; structurally deformed and usually highly sheared; includes areas mapped as Franciscan Broken Formation by Carver and others (1984).

fm FRANCISCAN MELANGE (Cretaceous-Jurassic): individual blocks of graywacke, sandstone, mudstone, conglomerate, greenstone, chert, and serpentinite in a sheared argillaceous matrix.

LITHOLOGIC CONTACT: dashed where approximately located, queried where uncertain.

FAULT: dashed where approximately located, dotted where projected or concealed, queried where uncertain.

THRUST FAULT: dashed where approximately located, dotted where projected, queried where uncertain; barbs on upper plate.

LINEAMENT: linear feature of unknown origin observed on aerial photographs.

STRIKE AND DIP OF BEDDING: approximate; may vary over short distances.

QUARRY OR BORROW PIT

SPRING

MARSH

May 03 2010 - 11:33am

1. SEE SHEET C-11 FOR LOT LINES AND DIMENSIONS.
2. CONTRACTOR TO GRADE ALL NEW MOBILE HOME LOTS AT 1% SLOPE AS SHOWN ON SHEET C-2.0

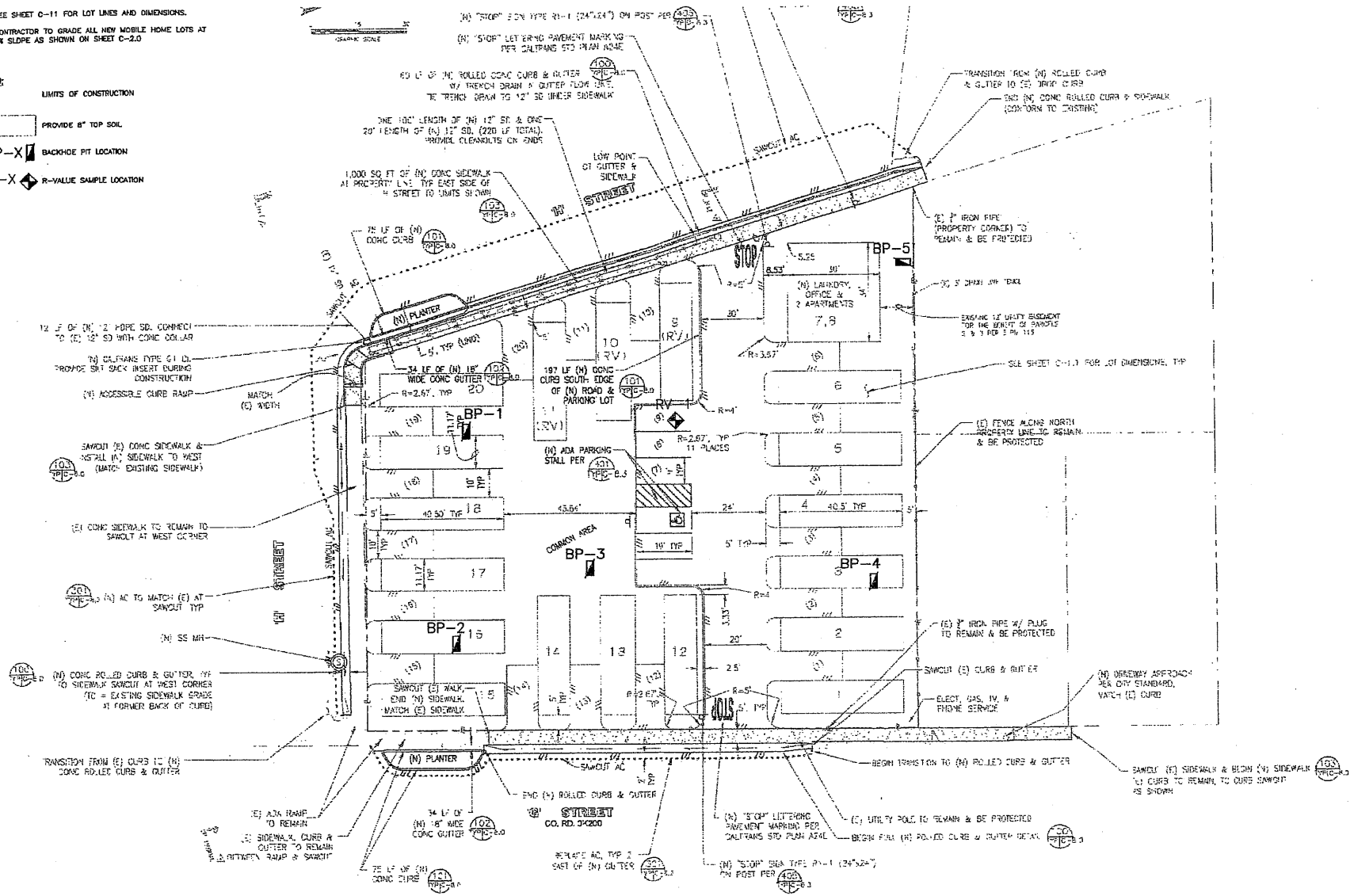
LEGEND:

LIMITS OF CONSTRUCTION

PROVIDE 6" TOP SOIL

BP-X BACKHOE PIT LOCATION

RV-X R-VALUE SAMPLE LOCATION



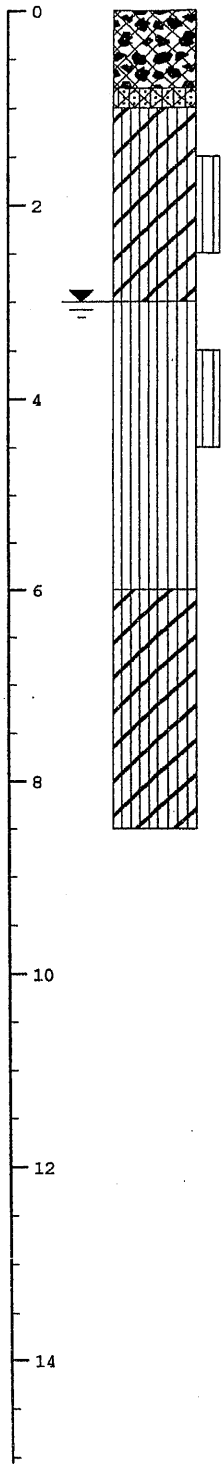
RELEASE OF DOCUMENTS: This document and the ideas and designs incorporated herein, as an instruments of professional service, is the property of Winzler & Kelly and shall not be reused in whole or in part for any other project without Winzler & Kelly's written authorization. © 2008 Winzler & Kelly

NOTE:

GEOTECHNICAL EXCAVATION LOG

Pit No. BP-1

PROJECT: W&K: SANDPIPER MOBILE HOME PARK
PROJECT NO.: 7262.01
EXCAVATION LOCATION: LOT 19
DATE: 4/23/10
EXCAVATION METHOD: BACKHOE
ELEVATION:
EXCAVATOR: JULIAN CONSTRUCTION
LOGGED BY: BEB
DEPTH TO WATER: **INITIAL** ▽ : 3.0 FT. **COMPLETION** ▽ : 3.0 FT.
SITE GEOLOGY: FILL OVER HOLOCENE ALLUVIUM



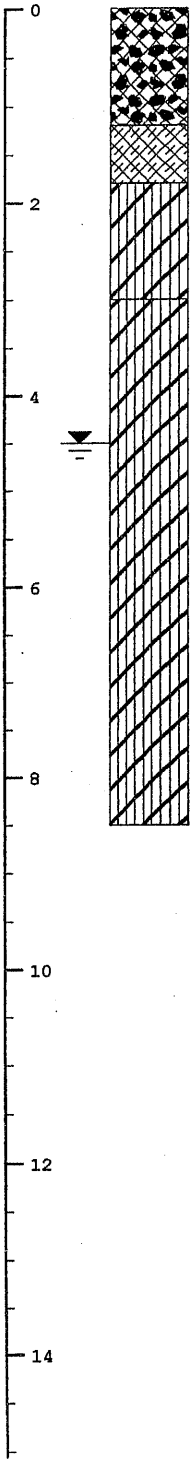
ELEVATION/ DEPTH	SOIL AND SAMPLER SYMBOLS	USCS	Description	Water Content %	Dry Density pcf	Pocket Pen. tsf	Torvane tsf	% Pass # 200
		FILL	IMPORTED RIVER-RUN FILL: WELL GRADED SAND WITH GRAVEL; Gray, medium dense to dense, dry.					
		FILL CL-ML	IMPORTED SILTY SAND FILL: SILTY SAND; Yellow brown, medium dense, moist.					
			INPLACE NATIVE SOIL: SILT with SAND/CLAY with SAND; Dark Brown, soft, moist.					
		ML	SILT with fine SAND; Gray, soft, wet.					
		CL-ML	SILT with SAND/CLAY with SAND; Gray, soft, moist.					
			BOTTOM OF HOLE AT 8.5 FT. BGS IN SAME. HOLE TERMINATED DUE TO CAVING.					

Figure 3

GEOTECHNICAL EXCAVATION LOG

Pit No. * BP-2

PROJECT: W&K: SANDPIPER MOBILE HOME PARK
PROJECT NO.: 7262.01
EXCAVATION LOCATION: LOT 16
DATE: 4/23/10
EXCAVATION METHOD: BACKHOE
ELEVATION:
EXCAVATOR: JULIAN CONSTRUCTION
LOGGED BY: RED
DEPTH TO WATER: **INITIAL** ▽ : 4.5 FT. **COMPLETION** ▽ : 4.5 FT.
SITE GEOLOGY: FILL OVER HOLOCENE ALLUVIUM



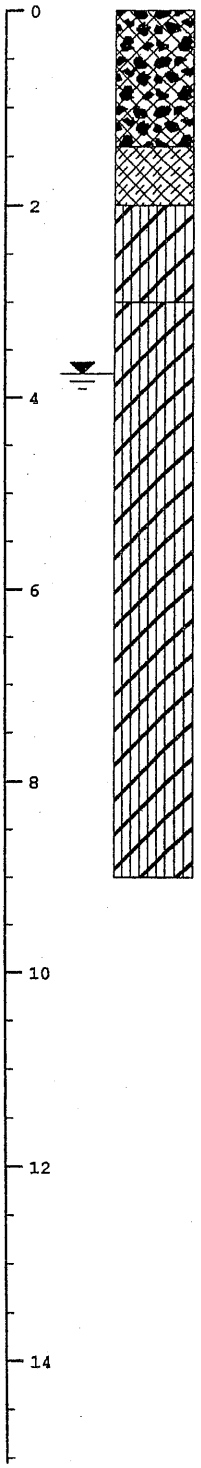
ELEVATION/ DEPTH	SOIL AND SAMPLER SYMBOLS	USCS	Description	Water Content %	Dry Density pcf	Pocket Pen. tsf	Torvane tsf	% Pass # 200
		FILL	IMPORTED RIVER-RUN FILL: WELL GRADED SAND WITH GRAVEL; Gray, medium dense to dense, dry.					
		FILL	IMPORTED CLAY with SAND FILL: CLAY with SAND; Yellow brown, stiff, moist.					
		CL-ML	INPLACE NATIVE SOIL: SILT with SAND/CLAY with SAND; Dark Brown, soft, moist.					
		CL-ML	SILT with SAND/CLAY with SAND; Gray, soft, moist.					
			BOTTOM OF HOLE AT 8.5 FT. BGS IN SAME.					

Figure 4

GEOTECHNICAL EXCAVATION LOG

Pit No. BP-3

PROJECT: W&K: SANDPIPER MOBILE HOME PARK
PROJECT NO.: 7262.01
EXCAVATION LOCATION: COMMON AREA
DATE: 4/23/10
EXCAVATION METHOD: BACKHOE
ELEVATION:
EXCAVATOR: JULIAN CONSTRUCTION
LOGGED BY: BeD
DEPTH TO WATER: **INITIAL** ▽: 3.75 FT. **COMPLETION** ▽: 3.75 FT.
SITE GEOLOGY: FILL OVER HOLOCENE ALLUVIUM



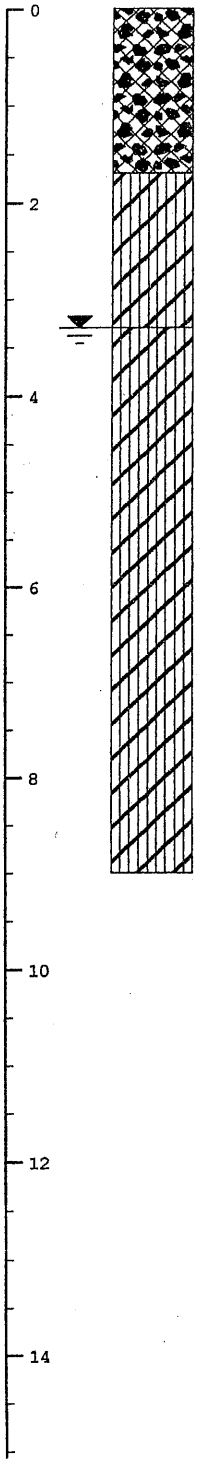
ELEVATION/ DEPTH	SOIL AND SAMPLER SYMBOLS	USCS	Description	Water Content %	Dry Density pcf	Pocket Pen. tsf	Torvane tsf	% Pass # 200
		FILL	IMPORTED RIVER-RUN FILL: WELL GRADED SAND WITH GRAVEL; Gray, medium dense to dense, dry.					
		FILL	IMPORTED CLAY with SAND FILL: CLAY with SAND; Yellow brown, stiff, moist.					
		CL-ML	INPLACE NATIVE SOIL: SILT with SAND/CLAY with SAND; Dark Brown, soft, moist.					
		CL-ML	SILT with SAND/CLAY with SAND; Gray, soft, moist.					
			BOTTOM OF HOLE AT 8.5 FT. BGS IN SAME.					

Figure 5

GEOTECHNICAL EXCAVATION LOG

Pit No. BP-4

PROJECT: W&K: SANDPIPER MOBILE HOME PARK
PROJECT NO.: 7262.01
EXCAVATION LOCATION: LOT 3
DATE: 4/23/10
EXCAVATION METHOD: BACKHOE
ELEVATION:
EXCAVATOR: JULIAN CONSTRUCTION
LOGGED BY: BD
DEPTH TO WATER: **INITIAL** ▽: 3.3 FT. **COMPLETION** ▽: 3.3 FT.
SITE GEOLOGY: FILL OVER HOLOCENE ALLUVIUM



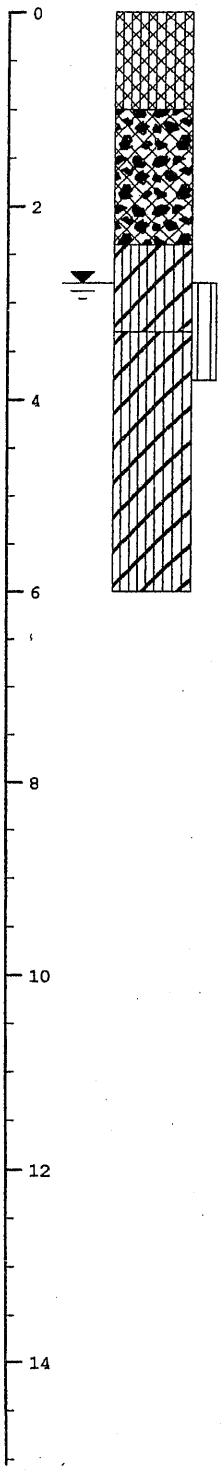
ELEVATION/ DEPTH	SOIL AND SAMPLER SYMBOLS	USCS	Description	Water Content %	Dry Density pcf	Pocket Pen. tsf	Torvane tsf	% Pass # 200
		FILL	IMPORTED RIVER-RUN FILL: WELL GRADED SAND WITH GRAVEL; Gray, medium dense to dense, dry.					
		CL-ML	INPLACE NATIVE SOIL: SILT with SAND/CLAY with SAND; Dark Brown, soft, moist.					
		CL-ML	SILT with SAND/CLAY with SAND; Gray, soft, wet.					
			BOTTOM OF HOLE AT 8.5 FT. BGS IN SAME.					

Figure 6

GEOTECHNICAL EXCAVATION LOG

Pit No. BP-5

PROJECT: W&K: SANDPIPER MOBILE HOME PARK **PROJECT NO.:** 7262.01
EXCAVATION LOCATION: NORTHEAST CORNER OF PROJECT **DATE:** 4/23/10
EXCAVATION METHOD: BACKHOE **ELEVATION:**
EXCAVATOR: JULIAN CONSTRUCTION **LOGGED BY:** BED
DEPTH TO WATER: **INITIAL** ▽: 2.8 FT. **COMPLETION** ▽: 2.8 FT.
SITE GEOLOGY: FILL OVER HOLOCENE ALLUVIUM



ELEVATION/ DEPTH	SOIL AND SAMPLER SYMBOLS	USCS	Description	Water Content %	Dry Density pcf	Pocket Pen. tsf	Torvane tsf	% Pass # 200
		FILL	IMPORTED TOPSOIL-BASED FILL: SILT with SAND and GRAVEL; Dark Brown, soft, moist.					
		FILL	IMPORTED RIVER-RUN FILL: WELL GRADED SAND WITH GRAVEL; Gray, medium dense to dense, dry.					
		CL-ML	INPLACE NATIVE SOIL: SILT with SAND/CLAY with SAND; Dark Brown, soft, moist.					
		CL-ML	SILT with SAND/CLAY with SAND; Gray, soft, wet.					
			BOTTOM OF HOLE AT 6.0 FT. BGS IN SAME. HOLE TERMINATED DUE TO CAVING.					

Figure 7

KEY TO SYMBOLS

Symbol Description

Strata symbols



Description not given for:
"F8"



Description not given for:
"F0"



Silty low plasticity
clay



Silt



Description not given for:
"FR"



Description not given for:
"FZ"

Misc. Symbols



Water table during
drilling



Water table at
boring completion

Soil Samplers



Undisturbed thin wall
Shelby tube

ATTACHMENT 1

Laboratory Test Results

LACO ASSOCIATES
ENGINEERS • GEOLOGISTS • ENVIRONMENTAL CONSULTANTS
21 W. 4th St. • PO Box 1023 • Eureka, CA 95502 • 707.443.5054

MOISTURE / DENSITY
ASTM D-2216 / 2937

PROJECT	W&K: SANDPIPER MOBILE HOME PARK			JOB NO. 7262.01	SHEET 1 of 1
CLIENT	WINZLER & KELLY			LAB ID 10-023EK	
LOCATION	VARIOUS	TEST BY	DLR	DATE	4/30/10
SOIL TYPE	VARIOUS	CHECKED BY	BED	CHECK DATE	5/01/10

Sample Location	BP-1	BP-1	BP-5		
Sample Depth (ft bgs)	1.5'-2.5'	3.5'-4.5'	2.8'-3.8'		
Soil Type (USCS)	CL-ML	ML	ML		
Moisture Content (%)	34.7	35.6	35.6		
Wet Density (pcf)	108.1	126.3	110.1		
Dry Density (pcf)	80.3	102.3	81.2		
Void Ratio*	1.1	0.6	1.0		
Percent Saturated	86.5	100.6	90.7		

*Void ratio calculation assumes a specific gravity of 2.65

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ATTERBERG LIMITS
ASTM D-4318

PROJECT	W&K: SANDPIPER MOBILE HOME PARK		JOB NO.	7262.01	SHEET
CLIENT	WINZLER & KELLY		SAMPLE ID	10-023EK	1 of 1
LOCATION	BP-1 AT 3.5'-4.5'	TEST BY	DLR	DATE	4/30/10
SOIL TYPE	CL-ML	CHECKED BY	BED	CHECK DATE	5/01/10

	Point 1	Point 2	Point 3
Tare + Wet Soil (gm)	27.39	25.10	23.85
Tare + Dry Soil (gm)	23.06	21.62	20.35
Water (gm)	4.33	3.48	3.50
Tare (gm)	4.03	4.09	4.12
Dry Soil (gm)	19.03	17.53	16.23
Water Content (%)	**23%**	**20%**	**22%**
* Number of Blows	**18**	**34**	**28**

* Groove closure = 13mm

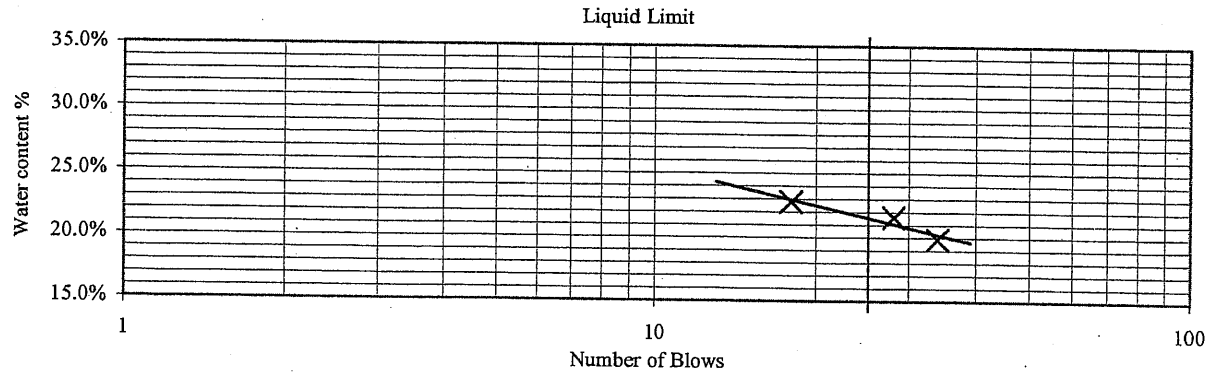
PLASTIC LIMIT

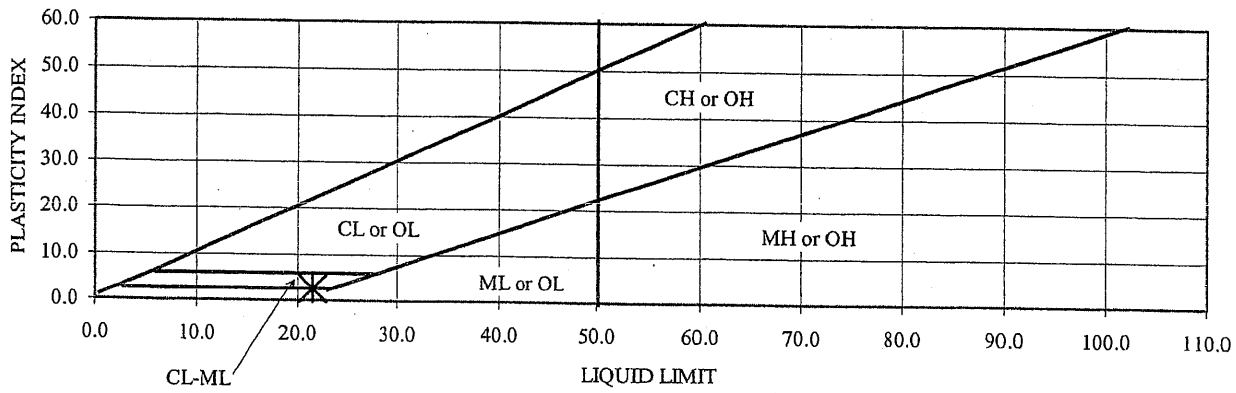
Run 1	Run 2	
21.97	21.09	
20.84	19.97	
1.13	1.12	
14.78	14.13	
6.06	5.84	
19%	**19%**	

LIQUID LIMIT = 21.5

PLASTIC LIMIT = 18.9

PLASTIC INDEX = 2.6





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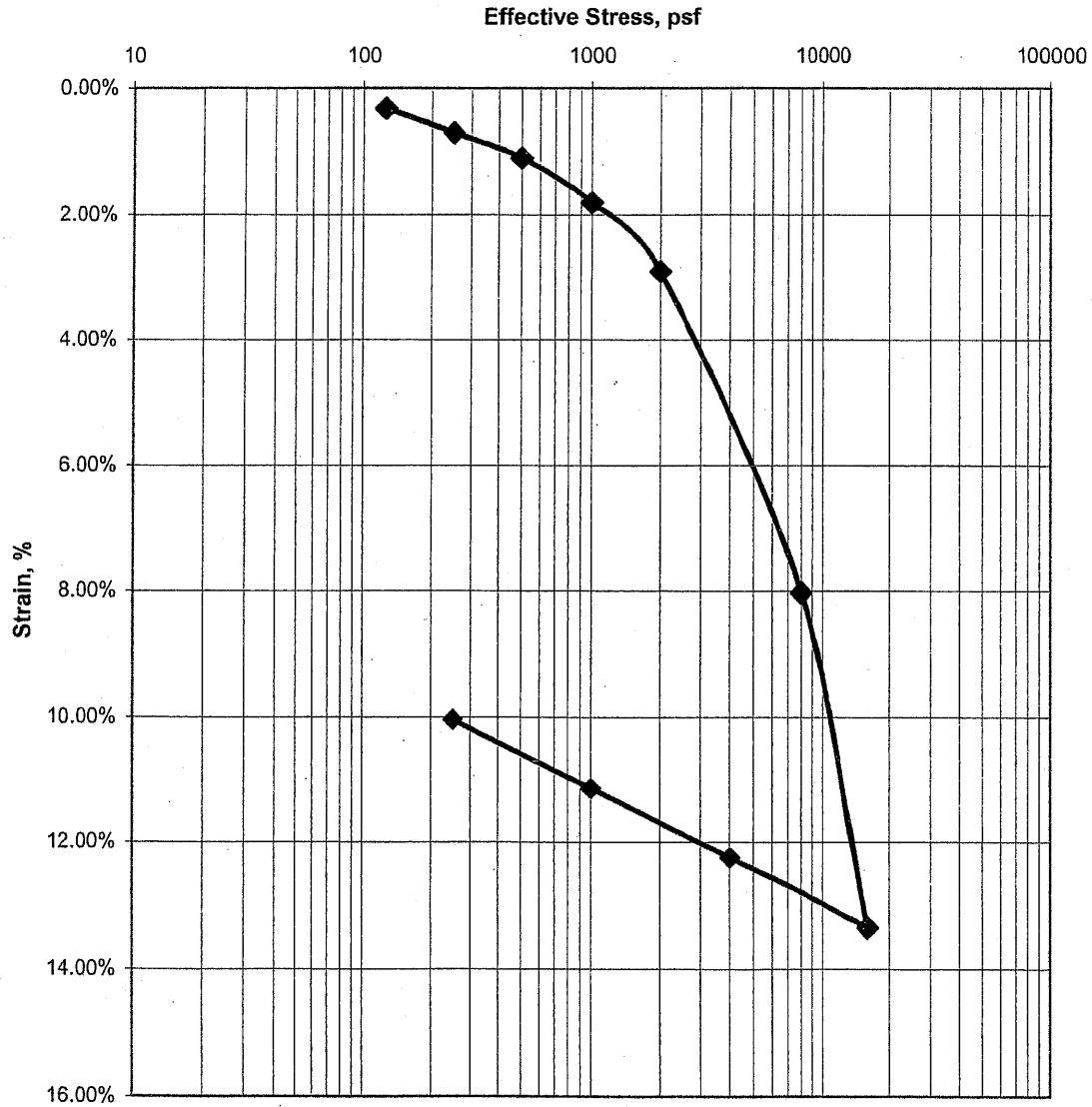
CONSOLIDATION TEST
ASTM D-2435 (Method B)

PROJECT	W&K: SANDPIPER MOBILE HOME PARK		JOB NO. 7262.01	SHEET
CLIENT	WINZLER & KELLY		SAMPLE ID 10-023EK	1 of 1
LOCATION	BP-1 AT 2.5'	TEST BY DLR	DATE 5/3/10	
SOIL TYPE	CL-ML	CHECKED BY BED	CHECK DATE 5/20/10	

Strain-Log-P Curve



	Initial	Final
Moisture %	36.8%	30.2%
Dry Density, pcf	79.5	90.2
Void Ratio	1.08	0.83
% Saturation	90.1%	96.0%

Assumed Specific Gravity = 2.65

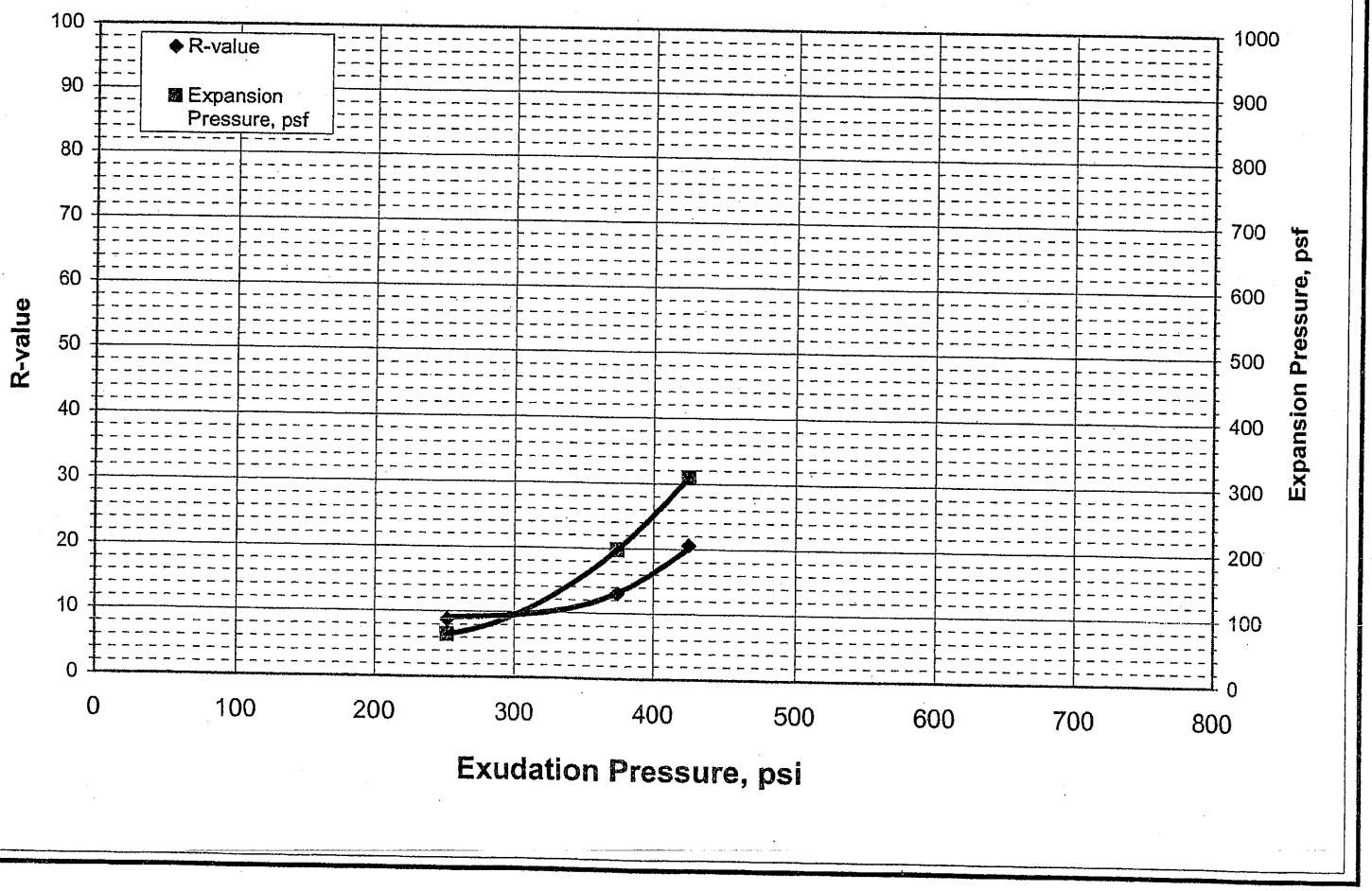
NOTES:

R-value Test Report (Caltrans 301)

Job No.:	592-016	**Date:**	05/07/10	**Initial Moisture,**	15.8%
Client:	Laco Associates	**Tested**	MD	**R-value by Stabilometer**	10
Project:	W&K: Sandpiper	**Reduced**	RU		
Sample	RV-1 @ 1.5-2.5'	**Checked**	DC	**Expansion Pressure**	100 psf
Soil Type:	Dark Gray CLAY				

Specimen Number	A	B	C	D
Exudation Pressure, psi	250	374	425	
Prepared Weight, grams	1200	1200	1200	
Final Water Added, grams/cc	62	42	27	
Weight of Soil & Mold, grams	3152	3111	3137	
Weight of Mold, grams	2085	2067	2100	
Height After Compaction, in.	2.62	2.53	2.48	
Moisture Content, %	21.7	19.8	18.4	
Dry Density, pcf	101.3	104.3	107.0	
Expansion Pressure, psf	64.5	197.8	309.6	
Stabilometer @ 1000				
Stabilometer @ 2000	138	130	114	
Turns Displacement	4.4	3.75	3.85	
R-value	9	13	21	

Remarks:



PROMISSORY NOTE SECURED BY DEED OF TRUST
THE CITY OF ARCATA

SANDPIPER MOBILE HOME PARK

$1,470,000.00
Arcata, California Dated: June 6, 2012

1. **FOR VALUE RECEIVED,** Resident Owned Parks, Inc., a California nonprofit public benefit corporation ("Borrower"), promises to pay to the City of Arcata ("City" or "Lender"), or order, the principal sum of **ONE MILLION, FOUR HUNDRED SEVENTY THOUSAND DOLLARS AND NO CENTS ($1,470,000.00)**, or the aggregate unpaid principal amount of all Advances and remaining outstanding balance on the Maturity Date, whichever is less, together with interest on any principal amounts remaining unpaid from time to time, to be calculated as set forth below. This Note is made in reference to the following facts:

A. This Note evidences indebtedness of Borrower to City made pursuant to the second amendment dated June 6, 2012 of that certain loan agreement between the parties dated October 1, 2010, first amended dated September 7, 2011, for purposes of the rehabilitation and construction of the Sandpiper Mobile Home Park owned by Borrower and located at 115 G Street, Arcata, CA (the "Property").

B. This Note shall be secured by, among other things, a deed of trust of the same date herewith, executed by Borrower, as trustor, in favor of City, as beneficiary, and encumbering the Property, more particularly described in the Deed of Trust, the terms of which are incorporated into this Note as if fully recited herein.

C. Borrower has previously executed a promissory note dated October 1, 2010, corrected on September 7, 2011, evidencing indebtedness to the City in the amount of $ 762,000.00, which is secured by Deed of Trust recorded in the Humboldt County records as Instrument No. 2010-28354-20.

D. As a condition to receiving financing pursuant to the Loan Agreement, Borrower entered into a regulatory agreement ("Regulatory Agreement") regulating and restricting the occupancy, rents, operations, ownership, management and affordability of the Property, and agreed to amend said agreement as a condition of receiving financial assistance pursuant to the second amendment to the Loan Agreement.

2. Definitions. All capitalized terms not otherwise defined in this Note shall have the meaning set forth in the Loan Documents, entered into between the Borrower and the City. In addition, as used in these Loan Documents, the following terms will have the following meanings:

"**Advance**" means a disbursement of loan proceeds by Lender.

"**Default Rate**" means a rate of interest per annum equal to the higher of ten percent (10%), compounded annually, or the highest rate permitted by law.

"**Loan Agreement**" means that certain agreement entered into between Borrower and City on October 1, 2010, its first amendment dated on September 7, 2011, second amendment dated June 6, 2012, and any and all future amendments thereto.

"**Maturity Date**" means the same as that for the promissory note executed by Borrower pursuant to the Loan Agreement on October 1, 2010, which is fifty-five (55) years after said date, or October 1, 2065.

"**Regulatory Agreement**" means that certain Regulatory Agreement recorded in the Humboldt County Records on December 20, 2010 as Instrument No. 2010-28351-42, and any and all amendments thereto.

3. Interest. Each Advance will bear simple interest on the unpaid principal amount from the date on which the Advance is disbursed at the rate of three percent (3%) per annum from the date of disbursement until paid. Prior Loan funds previously advanced shall continue to accrue said interest as of the date of said previous advances.

4. Repayment: General. The principal of the Loan shall be amortized over a 55 year term beginning on the date of this Note. The first payment of principal and interest shall be made no later than April 15, 2013. Thereafter, payments shall be made annually on or before April 15 of each year until the debt is paid in full. Payments shall be made from Residual Receipts in accordance with Section 21 of the Regulatory Agreement and shall be applied first to accrued interest and then to principal on the City portion of the total Loan, and then to accrued interest and then principal on the Agency portion of the total Loan. The final payment of this Note, which will be in an amount equal to the entire outstanding principal balance together with all accrued and unpaid interest will be due on the Maturity Date.

5. Repayment: Upon Sale of Manufactured Units. Notwithstanding the general provisions of Section 4, Borrower shall repay to the City no less than $60,000.00 at close of sale of each manufactured unit from Borrower to a qualified Buyer.

5. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the Lender, or as set forth in the Loan Agreement.

6. Security. This Note shall be secured, among other security, by security instruments covering the Property, without limitation, a Deed of Trust and Assignment of Rents of even date herewith (the "Deed of Trust"), executed by the Borrower as Trustor for the benefit of City as Beneficiary. This Note is "the Note" referred to in said Deed of Trust, and is entitled to the benefits of the Deed of Trust, Loan Agreement and Regulatory Agreement that contain, among other things, provisions for acceleration of the maturity of this Note on the happening of certain stated events.

7. Terms of Payment.

   a. All payments on this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

   b. All payments on this Note shall be paid to City of Arcata Finance Director, 736 F Street, Arcata, CA 95521, or to such other place as the City may from designate in writing.

   c. All payments on this Note shall be without expense to the City, and the Borrower agrees to pay all costs and expenses, including without limitation all costs, re-conveyance fees and attorney's fees of the City, incurred in connection with the payment of this Note and the release of any security hereof. All costs incurred by the holder of this Note in any action to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by Borrower. Borrower will pay to Lender all fees and costs referred to

in this Paragraph 7(c) on demand, together with interest from the date of the demand at the Default Rate until paid.

d. Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the City may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

e. This Note shall be nonrecourse to Borrower. Regardless of this limitation of liability, Borrower will be fully liable for the following:

1) failure to pay taxes, assessments, and any other charges that could result in liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

2) failure to pay and discharge any mechanics' liens, materialmen's liens, or other liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

3) fraud or intentional misrepresentation with respect to any representations, warranties, or certifications made in the Loan Documents, or otherwise made by Borrower in connection with the loan evidenced by this Note;

4) retention by Borrower of any rental income or other income arising with respect to any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents subsequent to the date of any notice of an Event of Default from Lender to Borrower, or which, under the terms of the Loan Documents, should otherwise have been paid to Lender;

5) all insurance proceeds, condemnation awards, or other similar funds or payments attributable to the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that, by its terms, should have been paid to Lender or used in a manner contrary to the use made by Borrower;

6) waste of the Property, or any other failure to maintain, repair, or restore any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents in accordance with the terms;

7) the removal, demolition, damage, or destruction of any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that is neither consented to in writing by Lender nor fully compensated for by insurance proceeds or condemnation awards;

8) the consequences of the failure of the Loan Documents to constitute a first and prior lien or security interest, as applicable, on the Property or any other collateral pledged, encumbered, or otherwise covered, subject only to those exceptions, if any, permitted by any of the Loan Documents or otherwise approved in writing by Lender; and

9) all legal costs and expenses reasonably incurred by Lender after the giving to Borrower of notice of the occurrence of an Event of Default, other than those customarily incurred by a lender in realizing on its lien in an uncontested foreclosure sale after an undisputed default.

8. Default.

a. Any of the following shall constitute an Event of Default under this Note:

1) Any failure to pay, in full, any payment required under this Note when due following written notice by City to Borrower and Borrower's administrative limited partner of such failure and ten (10) days opportunity to cure, excepting therefrom partial payment of an annual installment properly made in accordance with Sections 20 and 21 of the Regulatory Agreement;

2) Any failure in the performance by the Borrower of any terms, condition, provision or covenant set forth in any of the Loan Documents subject to the applicable notice and cure period, if any, set forth in the Loan Documents; and

3) The occurrence of any Event of Default under any of the Loan Documents, or other instrument securing the obligations of the Borrower under this Note or under any other promissory note hereafter issued by the Borrower to the City pursuant to the Loan Agreement or Deed of Trust, subject to applicable notice and cure periods if any, set therein.

b. Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the City become immediately due and payable upon written notice by the City to the Borrower without further demand.

c. The failure to exercise the remedy set forth in Subsection 8(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by City of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option without the express consent of the City, except as and to the extent otherwise provided by law.

d. From and after the Maturity Date, or an earlier date on which all sums owing under this Note become due by acceleration or otherwise, all sums owing under this Note will bear interest until paid in full at the Default Rate.

Notwithstanding anything to the contrary herein, any cure of any default or Event of Default made or tendered by the administrative limited partner of Borrower shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

9. Waivers.

a. The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of the Note. The Borrower expressly agrees

that this Note or any payment hereunder may be extended from time to time, and that the City may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

b. No extension of time for payment of this Note or any installment hereof made by agreement by the City with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

c. The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

10. Miscellaneous Provisions.

a. All notices to the City or the Borrowers shall be given in the manner and at the addresses set forth in the Regulatory Agreement, or to such addresses as the City and the Borrower may hereinafter designate.

b. The Borrower promises to pay all costs and expenses, including attorney's fees, incurred by the City in the enforcement of the provisions of the Note, regardless of whether suit is filed to seek enforcement.

c. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

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

e. The time for the performance of any obligation hereunder shall be strictly construed, time being of the essence.

f. This document, together with the Loan Documents, contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By: _____
Maurice A. Priest, President

2012-019156-15
Recorded - Official Records
Humboldt County, California
Carolyn Crnich, Recorder
Recorded by: ARCATA CTY
Rec Fee: $55.00

RECORDING REQUESTED BY:

City of Arcata

WHEN RECORDED MAIL TO:

Clerk: KL Total:$55.00
Jul 20, 2012 at 15:43:32

City Clerk
City of Arcata
736 F Street
Arcata, CA 95521

APN 503-224-046

AMENDMENT NO. 1 TO REGULATORY AGREEMENT

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
HCD HOME LOAN NUMBER 06-HOME PI-MFP-001
SANDPIPER MOBILE HOME PARK

THIS IS AN AMENDMENT to that certain Regulatory Agreement recorded in the official records of Humboldt County as instrument No. 2010-28351-42 (the "Regulatory Agreement") and is made and entered into this 6th day of June, 2012, by and between Resident Owned Parks, a California nonprofit public benefit corporation (the "Borrower"), and the City of Arcata (the "City"), a municipal corporation of the State of California.

Recitals

A. The Borrower is the owner of a fee estate in real property located at 115 G Street (APN 503-224-046), in the City of Arcata, California, more fully described in Exhibit A attached hereto and incorporated herein (the "Property").

B. The City and the former Arcata Community Development Agency previously provided loan financing to Borrower to assist in the acquisition and rehabilitation of a mobile home rental park, commonly known as the Sandpiper Mobile Home Park, located on the Property.

C. Borrower entered into the Regulatory Agreement as a condition of receiving said loan financing, which regulates and restricts the occupancy, rents, operations, ownership, management and affordability of the Property for 55 years.

D. Unforeseen project delays, cost overruns and the failure of the California State Department of Housing and Community Development to approve a portion of loan financing have necessitated design changes to the Development and additional loan commitments from the City of Arcata, in exchange for which Borrower has agreed to execute this Amendment No. 1 to the Regulatory Agreement.

E. The purpose of this Amendment is to update the sources and uses of financing for the Sandpiper Mobile Home Park project.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and terms recited herein and made a material part hereof, the parties agree as follows:

1. Recitals. The foregoing recitals are a material part of this Amendment No. 1.

2. Replacement of Recitals. All Recitals in the Regulatory Agreement, identified therein as A – M, are hereby replaced in their entirety by the following:

   A. The Borrower is the owner of a fee estate in real property located at 115 G Street (APN 503-224-046), in the City of Arcata, California, more fully described in Exhibit A attached hereto and incorporated herein (the "Property"), on which is located a mobile home rental park, commonly known as the Sandpiper Mobile Home Park. The Sand Piper Mobile Home Park holds Permit # 12-0041-MP issued by the California Department of Housing and Community Development.

   B. The Borrower has proposed to rehabilitate, and manage the Property by constructing thereon improvements to the Sandpiper Mobile Home Park. The total number of units after rehabilitation will be 19 assisted units, 16 of which will be manufactured homes, and 3 will be efficiency apartments (the "Development"). Of the 19 units, 8 units will be occupied by moderate-income households, 7 by low-income households, and 4 by very low-income households.

   C. The City and former Arcata Community Development Agency have provided the following sources of financial assistance to Borrower (collectively referred to herein as the "Loan"), in exchange for which Borrower has entered into this Regulatory Agreement, including all amendments thereto, to place rent and occupancy restrictions on the assisted housing units:

      City of Arcata Funding:

      $ 279,000.00 (March 8, 2007, City HOME Program Income)
      $ 483,000.00 (September 7, 2011, City Housing Improvement Project Fund)
      $ 1,470,000.00 (June 6, 2012, City Housing Improvement Project Fund, Public Improvement Project Fund, and/or Housing Successor Fund)
      $ 2,232,000.00 TOTAL

      Former Arcata Community Development Agency Funding:

      $ 39,400.00 (March 8, 2007, from 20% Housing Set-Aside Fund)
      $ 465,462.00 (October 1, 2010, from 20% Housing Set-Aside Fund)

      $ 504,862.00 TOTAL

   D. All Loan proceeds shall be disbursed, used and governed in accordance with the Sources and Uses Table attached hereto as Exhibit B, by the HOME Program Income Set-up documents, HOME Program Regulations, a Loan Agreement and all amendments thereto, by and between the City of Arcata and Borrower (herein the "Loan Agreement"), all promissory notes executed by Borrower pursuant to the Loan Agreements and any amendments thereto, and all deeds of trust with assignment of rents executed by Borrower to secure said loan commitments and recorded in the official record of Humboldt County encumbering the Property.

   E. Borrower agrees to abide by all provisions of the current HOME Program Grant Management Manual, a copy of which is on file with the City of Arcata Department of Community Development, the Loan Agreement, Note and Deed of Trust.

F. As further consideration for the Loan and in furtherance of the purposes of the HOME Program and Agency Affordable Housing Program, Borrower has agreed to enter into this Regulatory Agreement. The purpose of this Regulatory Agreement is to regulate and restrict occupancy, rents, operations, ownership and management of the Development in compliance with the requirements of the HOME Program and Agency Affordable Housing Program. This Agreement is not to be construed as altering any zoning, building or other regulations of the City, nor is this Agreement to be considered a development agreement.

G. The Loan Agreement, Notes and Deeds of Trust, including all exhibits, attachments and amendments thereto, are fully incorporated by reference into this Agreement. In the event of any inconsistencies between the terms set forth in the Loan Agreement, Notes or Deeds of Trust and the terms of this Regulatory Agreement, the terms of this Regulatory Agreement shall prevail.

3. Additional Definitions. The following definition are hereby added:

"Deeds of Trust" means, collectively, those deeds of trust executed by Borrower as trustor for the benefit of the former Arcata Community Development Agency and the City or Arcata encumbering the Property to provide security for loan funds advanced to Borrower pursuant to the Loan Agreement, including but not limited to those recorded as Instrument No. 2010-28353-20 as assigned by Instrument No. 2011-6363-1, 2010-28354-20, and any and all future deeds of trust executed by Borrower as trustor for the benefit of the City or its successors and assigns, encumbering the Property as security for funds advanced or promised pursuant to the Loan Agreement.

"Fiscal Year" means January 1 through December 31.

"Loan Agreement" means that certain agreement entered into between Borrower and City on October 1, 2010, its first amendment dated on September 7, 2011, second amendment dated June 6, 2012, and any and all future amendments thereto.

"Note" or "Notes" means, collectively, those certain promissory notes executed by Borrower as evidence of Borrower's indebtedness for funds advanced pursuant to the Loan Agreement including but not limited to those dated October 1, 2010 ($504,862.00), October 1, 2012 as corrected September 7, 2011($762,000.00), and June 6, 2012 ($1,470,000.00), any and all modifications, extensions, amendments thereto, and any future promissory notes as may be required by the City to evidence future advances or debt pursuant to the Loan Agreement.

4. Corrections to Exhibit "B" References. The following references to Exhibit "B," *Sources and Uses Prior Loan and Rehabilitation Loan,* are hereby revised to reference Exhibit "C-Amended," *Sandpiper Operational Calculations*:

Section 16(h), *Annual Report,*
Section 17(b), *City Review and Inspections,*
Section 18(e), *Annual Operating Budget.*

5. Revisions to Required Reserves. Section 19, *Required Reserves*, is hereby amended as follows:

a. Replacement Reserve Account:

1) Upon reaching 75% occupancy (15 rented or leased units) or eighteen (18) months from the Notice of Completion, whichever occurs first, the Borrower shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally insured financial institution ("Replacement Reserve Account") and fully fund an amount equal to eighteen months deposits to the Replacement Reserve. Beginning on the nineteenth (19) month, Borrower shall make monthly deposits from Operating Income to the Replacement Reserve Account in a minimum amount of $21.93 per unit ($416.65 total monthly) which represents the minimum amount determined by the City necessary to establish an adequate reserve account for future capital improvements, as specified. This amount is equal to 0.6 percent of the estimated per unit cost of Development, excluding the cost of the manufactured houses, or: 0.006 multiplied by $833,300 divided by 19 units divided by 12 months. The City may review the adequacy of these monthly deposits on an annual basis, and require adjustments, as it deems necessary. The City shall disburse the total initial Replacement Reserve amount of $5,000.00 to Borrower for deposit into the Replacement Reserve Account at the time Borrower first becomes obligated to establish the Replacement Reserve Account as set out in this subsection. Until such time as the units are fully occupied, the City shall disburse required Replacement Reserve Account monthly deposit amounts, if any, to Borrower from the Developer Fee for deposit into the Replacement Reserve Account.

2) Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Development that are reasonably required to preserve the Development. Borrower may withdraw, for a qualifying maintenance improvement, from the Replacement Reserve Account up to Five Thousand Dollars ($5,000.00) per Fiscal Year or any amount included in the Annual Operation Budget for the Fiscal Year of the withdrawal without advance written approval from the City. All other withdrawals from the Replacement Reserve Account must be approved in advance by the City.

3) If at any time the Replacement Reserve Account balance exceeds Eighty Thousand Dollars ($80,000.00), Borrower shall have an independent physical inspection of the Development, conducted by a City approved inspector and paid for from said account. Said inspection shall evaluate the condition of the Development and determine what capital improvements are required. A copy of the inspection report shall be delivered to the City. Based on the inspection report, Borrower shall develop and deliver a capital improvement work plan to the City within 30 days after the date of the inspection report. Failure of Borrower to make and complete approved capital improvements within one year after approval by the City of said work plan, will be deemed a default under this Agreement.

b. Operating Reserve Account:

1) Upon reaching 75% occupancy (15 rented or leased units) or eighteen (18) months from the Notice of Completion, whichever occurs first, the Borrower shall establish an operating reserve account or sub account within the project's general operating account ("Operating Reserve Account"). Borrower shall fully fund this account in the amount of Thirty-Two Thousand Two-Hundred Twenty-Eight Dollars ($32,228.00) upon issuance of Notice of Completion, which shall be funded through a City disbursement in this amount, as provided in Exhibit B. Whenever the account balance falls below said amount, Borrower shall make monthly deposits from project income to the Operating Reserve Account in the amount of a minimum of three percent (3 %) of the annual operating expenses minus the annual

replacement and operating reserve account deposits, which represents the minimum amount determined by the City as necessary for specified shortfalls.

2) Borrower shall transfer funds from the Operating Reserve Account only to alleviate cash shortages resulting from utility costs, vacancies greater than five percent (5%) of the total Development rental capacity, and seasonal fluctuations in or from month to month. The City shall approve or disapprove a request for withdrawal from the Operating Reserve Account within 60 days of receipt of a written request. A written withdrawal request that is not disapproved with in 60 days of receipt shall be deemed approved. If the Operating Reserve Account reaches a balance equal to or greater than an amount equivalent to twelve months gross income for the Development, the City may approve a reduction in payments to the Operating Reserve Account to an amount necessary to maintain the account balance at this level.

6. Revisions to First Residual Receipts Payment Date. Section 21, *Residual Receipts and Distributions*, is revised to state that Borrower's obligation to make payments as required by the Notes and Loan Agreement shall occur no later than April 15 of each year beginning in 2013.

7. Replacement of Exhibits B and C. Exhibit "B", *Sources and Uses Prior Loan and Rehabilitation Loan*, and Exhibit "C", *Sandpiper Operational Calculations*, are hereby replaced in their entirety by, respectively, Exhibit "B-Amended," *Sources and Uses Acquisition and Rehabilitation Loan*, and Exhibit "C-Amended," *Sandpiper Operational Calculations*, attached hereto and incorporated herein. All references in the Regulatory Agreement to said Exhibits shall refer to the Exhibits as hereby amended.

8. Ratification of Agreement. The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

WHEREAS, this Amendment has been entered into by the undersigned as of the date first above written.

BORROWER:
Resident Owned Parks, Inc.
A California NonProfit Public Benefit Corporation

By: _____
Maurice A. Priest, President

CITY:
City of Arcata

By: _____
Randal J. Mendosa, City Manager

ACKNOWLEDGMENT

State of California)
County of Sacramento)

On 7-11-12 before me D. Horn,
personally appeared ~~D. Horn~~ Maurice A. Priest, 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 _____

D. HORN
Commission # 1931448
Notary Public - California
Sacramento County
My Comm. Expires Apr 30, 2015

(Seal)

ACKNOWLEDGMENT

State of California)
County of Humboldt)

On July 13, 2012 before me C. Coronado,
personally appeared Randal J. Mendosa, 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

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

Exhibit B-Amended
Sources and Uses Acquisition and Rehabilitation Loan
Sandpiper Mobile Home Project

Development Budget	TOTAL PROJECT BUDGET	Acquisition /Rehab Loan			
		Private Lender	Arcata Community Dev. Agency	City of Arcata - Housing	City of Arcata - HOME
LAND COST/ACQUISITION					
Land Cost or Value	$818,000	$650,000			$168,000
Demolition	$0				
Legal	$0				
Total Land Cost or Value	$818,000	$650,000		$0	$168,000
Existing Improvements Value	$0				
Off-Site Improvements	$0				
Total Acquisition Cost	$818,000	$650,000	$0	$0	$168,000
REHABILITATION					
Site Work	$439,000		$390,345	$48,655	
Demolition	$0				
Structures (Foundation)	$0				
PG&E	$24,442		$24,442		
Environmental Remediation	$0				
General Requirements	$0				
Contractor Overhead	$0				
Contractor Profit	$0				
Total Rehabilitation Costs	$463,442	$0	$414,787	$48,655	$0
NEW CONSTRUCTION					
Man. Housing Foundation	$80,000			$80,000	
Manufactured Homes	$960,000			$960,000	
Triplex/Office	$410,000			$410,000	
Environmental Remediation	$0				
General Requirements	$0				
Contractor Overhead	$0				
Contractor Profit	$0				
Total New Construction Costs	$1,450,000	$0	$0	$1,450,000	$0
ARCHITECTURAL FEES					
Design	$0				
Supervision	$0				
Total Architectural Costs	$0	$0	$0	$0	$0
CONST. INTEREST & FEES					
Const. Loan Interest[1]	$0				
Permit Fees	$13,900			$13,000	$900
Credit Enhance. & App. Fee	$0				
Taxes	$1,030				$1,030
Insurance	$3,029				$3,029
Title and Recording	$2,500				$2,500
Total Const. Interest & Fees	$20,459	$0	$0	$13,000	$7,459
PERMANENT FINANCING					
Loan Origination Fee	$0				
Credit Enhance. & App. Fee	$0				
Title and Recording	$0				
Other	$0				
Total Perm. Financing Costs	$0	$0	$0	$0	$0
LEGAL FEES					
Lender Legal Pd. by Applicant	$0				
Other (Specify)	$0				
Total Attorney Costs	$0	$0	$0	$0	$0
Capitalized Rent Reserves	$0				
Capitalized Operating Reserve[1]	$0				
Capitalized Replacement Reserve[2]	$0				
Total Reserve Costs	$0	$0		$0	$0
Appraisal Costs	$0	$0		$0	$0
Survey & Engineering	$109,416	$0	$83,205		$26,211
Hard Contingency (10%)	$84,900			$84,900	
Soft Contingency	$3,600			$3,600	
Total Construction Contingency Costs	$88,500	$0	$0	$88,500	$0
OTHER					
TCAC App/Alloc/Monitor Fees	$0				
Environmental Audit	$0				
Local Dev. Impact Fees	$0				
Permit Processing Fees	$0				
Capital Fees	$0				
Marketing	$0				
Furnishings	$0				
Inspection/Testing	$0				
Relocation	$0				

Exhibit B-Amended
Sources and Uses Acquisition and Rehabilitation Loan
Sandpiper Mobile Home Project

		Acquisition /Rehab Loan			
Development Budget	TOTAL PROJECT BUDGET	Private Lender	Arcata Community Dev. Agency	City of Arcata - Housing	City of Arcata - HOME
Preconstruction Operational Expenses	$0				
Operating Reserves	$64,258			$32,228	$32,030
Replacement Reserves	$12,170		$2,370	$5,000	$4,800
Total Other Costs	$76,428	$0	$2,370	$37,228	$36,830
Subtotals	$2,208,245	$650,000	$500,362	$1,637,383	$238,500
DEVELOPER COSTS					
Developer Fee	$129,500		$4,500	$84,500	$40,500
Consultant/Processing Agent	$0				
Project Administration	$0				
Const. Management Oversight	$25,000			$25,000	
Other (audit)	$2,500			$2,500	
Total Developer Fee	$157,000	$0	$4,500	$112,000	$40,500
TOTAL PROJECT COST	$2,365,245	$650,000	$504,862	$1,749,383	$279,000
Total Loan Amounts		$650,000	$504,862	$1,953,000	$279,000

EXHIBIT C - Amended

Sandpiper Mobile Home Park Operational Calculations

Household Income	Mod	Low	VL
Percent of Median Income	80%	60%	50%
Number of Restricted Units	8	7	4

Unit Type: A 1 bdrm; B Mobile

Table 1

Unit #	Unit Type	Household Income	Utility Allowance	Total Rent	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
1	B	vl	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
2	B	vl	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
3	B	vl	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
4	B	vl	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
5	B	low	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
6	B	low	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
7	A	mod	$63	$678	$615	1	2.5%	7,380	7,565	7,754	7,947	8,146	8,350	8,559	8,773
8	A	mod	$63	$678	$615	1	2.5%	7,380	7,565	7,754	7,947	8,146	8,350	8,559	8,773
9	A	mod	$63	$678	$615	1	2.5%	7,380	7,565	7,754	7,947	8,146	8,350	8,559	8,773
10	B	low	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
11	B	low	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
12	B	low	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
13	B	low	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
14	B	low	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
15	B	mod	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
16	B	mod	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
17	B	mod	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
18	B	mod	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
19	B	mod	$122	$522	$400	1	2.5%	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706
		TOTAL RENTAL INCOME	**8,245**			**19**	**0**	**98,940**	**101,414**	**103,949**	**106,548**	**109,211**	**111,942**	**114,740**	**117,609**

Table 2

OTHER INCOME		Units	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8
Laundry Income	1,800	1	2.5%	1,800	1,845	1,891	1,938	1,987	2,037	2,087	2,140
Replacement Reserve Deposit	5,000			5,000	-	-	-	-	-	-	-
Operating Reserve Deposit	32,228			32,228	0	0	0	0	0		
Utility Submetering annual income		1	2.5%	0	-	-	-	-	-	-	-
TOTAL OTHER INCOME	39,028			39,028	1,845	1,891	1,938	1,987	2,037	2,087	2,140
TOTAL INCOME				137,968	103,259	105,840	108,486	111,198	113,978	116,828	119,748
Less Vacancy Allowance	-412		5%	-4,947	-5,071	-5,197	-5,327	-5,461	-5,597	-5,737	-5,880
GROSS INCOME	**46,861**			**133,021**	**98,188**	**100,643**	**103,159**	**105,737**	**108,381**	**111,091**	**113,868**

OPERATING EXPENSES	Annual	%EGI	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8
Accounting	2,020	1.5%	3.5%	2,020	2,091	2,164	2,240	2,318	2,399	2,483	2,570
Audit	2,000	1.5%	3.5%	2,000	2,070	2,142	2,217	2,295	2,375	2,459	2,545

EXHIBIT C - Amended
Sandpiper Mobile Home Park Operational Calculations

Auto	420	0.3%	3.5%	420	435	450	466	482	499	516	534
Manager's Housing	252	0.2%	3.5%	252	261	270	279	289	299	310	321
Management Fee	6,840	5.1%	3.5%	6,840	7,079	7,327	7,584	7,849	8,124	8,408	8,702
Utilities (electricity & gas)	3,000	2.3%	3.5%	3,000	3,105	3,214	3,326	3,443	3,563	3,688	3,817
Manager training	500	0.4%	3.5%	500	518	536	554	574	594	615	636
Payroll / Payroll Taxes	8,000	6.0%	2.5%	8,000	8,200	8,405	8,615	8,831	9,051	9,278	9,509
Insurance	3,528	2.7%	3.5%	3,528	3,651	3,779	3,912	4,048	4,190	4,337	4,489
Landscaping	750	0.6%	3.5%	750	776	803	832	861	891	922	954
Maintenance	3,000	2.3%	3.5%	3,000	3,105	3,214	3,326	3,443	3,563	3,688	3,817
Telephone	720	0.5%	3.5%	720	745	771	798	826	855	885	916
Trash	3,774	2.8%	3.5%	3,774	3,906	4,043	4,184	4,331	4,482	4,639	4,802
Water/Sewer	2,052	1.5%	3.5%	2,052	2,124	2,198	2,275	2,355	2,437	2,522	2,611
Park Billing	960	0.7%	3.5%	960	994	1,028	1,064	1,102	1,140	1,180	1,221
Permits, Fees & Licenses	300	0.2%	3.5%	300	311	321	333	344	356	369	382
Supplies	1,500	1.1%	3.5%	1,500	1,553	1,607	1,663	1,721	1,782	1,844	1,908
travel	2,250	1.7%	3.5%	2,250	2,329	2,410	2,495	2,582	2,672	2,766	2,863
Other: Advertising	0	0.0%	3.5%	0	-	-	-	-	-	-	-
On-Site Service Coordinator	0	0.0%	3.5%	0	-	-	-	-	-	-	-
Property Taxes and Assessments	3,880	2.9%	2.0%	3,880	3,958	4,037	4,117	4,200	4,284	4,370	4,457
Commercial Expenses	0	0.0%	3.5%	0	-	-	-	-	-	-	-
OPERATING EXPENSES (Excluding	**45,746**			**45,746**	**47,209**	**48,720**	**50,280**	**51,892**	**53,557**	**55,277**	**57,053**
Repalcement Reserves	5,000		0.0%	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Reserve Deposit	32,228		0.0%	32,228	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL OPERATING EXPENSES	**82,974**			**82,974**	**52,209**	**53,720**	**55,280**	**56,892**	**58,557**	**60,277**	**62,053**
CASH FLOW AVAILABLE FOR DEBT SERVICE				**50,047**	**45,979**	**46,923**	**47,879**	**48,845**	**49,824**	**50,813**	**51,815**
DEBT SERVICE & OTHER DISTRIBU	Loan Amount		Yr. 1 DSC	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8
Sellers (Warren & Susan Morton) [HA	650,000		1.10	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516
City of Arcata - permanent	862,619		1.10								
Redevelopment Agency	465,462										
DEBT COVERAGE RATIO				1.10	1.01	1.03	1.05	1.07	1.09	1.12	1.14
ANNUAL NET CASH FLOW				**4,531**	**$ 463**	**$ 1,407**	**$ 2,363**	**$ 3,329**	**$ 4,308**	**$ 5,297**	**$ 6,299**
CUMULATIVE CASH FLOW				**4,531**	**$ 4,994**	**$ 6,401**	**$ 8,764**	**$ 12,093**	**$ 16,401**	**$ 21,698**	**$ 27,997**
Developer share of Cash Flow				**2,266**	**$ 232**	**$ 704**	**$ 1,182**	**$ 1,665**	**$ 2,154**	**$ 2,649**	**$ 3,150**
City of Arcata - permanent	**1,328,081**			**2,266**	**$ 232**	**$ 704**	**$ 1,182**	**$ 1,665**	**$ 2,154**	**$ 2,649**	**$ 3,150**
Interest Rate:	**3%**										
City Loan Interest Balance				37,577	$77,188	$116,327	$154,988	$193,166	$230,854	$268,048	$304,741
Loan Principal Balance				1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081
Loan Total Balance				1,365,658	$1,405,269	$1,444,408	$1,483,069	$1,521,247	$1,558,935	$1,596,129	$1,632,822

Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
8,992	9,217	9,447	9,683	9,925	10,173	10,428	10,688	10,956	11,230	11,510	11,798	12,093	12,395	12,705
8,992	9,217	9,447	9,683	9,925	10,173	10,428	10,688	10,956	11,230	11,510	11,798	12,093	12,395	12,705
8,992	9,217	9,447	9,683	9,925	10,173	10,428	10,688	10,956	11,230	11,510	11,798	12,093	12,395	12,705
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674	7,865	8,062	8,264
120,549	**123,563**	**126,652**	**129,818**	**133,063**	**136,390**	**139,800**	**143,295**	**146,877**	**150,549**	**154,313**	**158,170**	**162,125**	**166,178**	**170,332**
Year-9	Year-10	Year-11	Year-12	Year-13	Year-14	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21	Year-22	Year-23
2,193	2,248	2,304	2,362	2,421	2,481	2,543	2,607	2,672	2,739	2,807	2,878	2,950	3,023	3,099
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,193	2,248	2,304	2,362	2,421	2,481	2,543	2,607	2,672	2,739	2,807	2,878	2,950	3,023	3,099
122,742	125,810	128,956	132,180	135,484	138,871	142,343	145,902	149,549	153,288	157,120	161,048	165,074	169,201	173,431
-6,027	-6,178	-6,333	-6,491	-6,653	-6,819	-6,990	-7,165	-7,344	-7,527	-7,716	-7,909	-8,106	-8,309	-8,517
116,715	**119,632**	**122,623**	**125,689**	**128,831**	**132,052**	**135,353**	**138,737**	**142,205**	**145,761**	**149,404**	**153,139**	**156,968**	**160,892**	**164,914**
Year-9	Year-10	Year-11	Year-12	Year-13	Year-14	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21	Year-22	Year-23
2,660	2,753	2,849	2,949	3,052	3,159	3,270	3,384	3,503	3,625	3,752	3,883	4,019	4,160	4,306
2,634	2,726	2,821	2,920	3,022	3,128	3,237	3,351	3,468	3,589	3,715	3,845	3,980	4,119	4,263

553	572	592	613	635	657	680	704	728	754	780	807	836	865	895
332	343	355	368	381	394	408	422	437	452	468	484	501	519	537
9,007	9,322	9,648	9,986	10,336	10,697	11,072	11,459	11,860	12,276	12,705	13,150	13,610	14,087	14,580
3,950	4,089	4,232	4,380	4,533	4,692	4,856	5,026	5,202	5,384	5,572	5,768	5,969	6,178	6,395
658	681	705	730	756	782	809	838	867	897	929	961	995	1,030	1,066
9,747	9,991	10,241	10,497	10,759	11,028	11,304	11,586	11,876	12,173	12,477	12,789	13,109	13,437	13,773
4,646	4,808	4,977	5,151	5,331	5,518	5,711	5,911	6,118	6,332	6,553	6,783	7,020	7,266	7,520
988	1,022	1,058	1,095	1,133	1,173	1,214	1,257	1,300	1,346	1,393	1,442	1,492	1,545	1,599
3,950	4,089	4,232	4,380	4,533	4,692	4,856	5,026	5,202	5,384	5,572	5,768	5,969	6,178	6,395
948	981	1,016	1,051	1,088	1,126	1,165	1,206	1,248	1,292	1,337	1,384	1,433	1,483	1,535
4,970	5,144	5,324	5,510	5,703	5,902	6,109	6,323	6,544	6,773	7,010	7,256	7,509	7,772	8,044
2,702	2,797	2,895	2,996	3,101	3,209	3,322	3,438	3,558	3,683	3,812	3,945	4,083	4,226	4,374
1,264	1,308	1,354	1,402	1,451	1,501	1,554	1,608	1,665	1,723	1,783	1,846	1,910	1,977	2,046
395	409	423	438	453	469	486	503	520	538	557	577	597	618	639
1,975	2,044	2,116	2,190	2,267	2,346	2,428	2,513	2,601	2,692	2,786	2,884	2,985	3,089	3,197
2,963	3,067	3,174	3,285	3,400	3,519	3,642	3,770	3,901	4,038	4,179	4,326	4,477	4,634	4,796
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,546	4,637	4,730	4,824	4,921	5,019	5,120	5,222	5,326	5,433	5,542	5,652	5,765	5,881	5,998
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58,888	**60,784**	**62,742**	**64,764**	**66,854**	**69,012**	**71,242**	**73,546**	**75,926**	**78,384**	**80,925**	**83,549**	**86,261**	**89,062**	**91,957**
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
63,888	**65,784**	**67,742**	**69,764**	**71,854**	**74,012**	**76,242**	**78,546**	**80,926**	**83,384**	**85,925**	**88,549**	**91,261**	**94,062**	**96,957**
52,827	**53,849**	**54,881**	**55,924**	**56,977**	**58,040**	**59,111**	**60,191**	**61,279**	**62,376**	**63,479**	**64,590**	**65,708**	**66,830**	**67,957**
Year-9	Year-10	Year-11	Year-12	Year-13	Year-14	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21	Year-22	Year-23
45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516
1.16	1.18	1.21	1.23	1.25	1.28	1.30	1.32	1.35	1.37	1.39	1.42	1.44	1.47	1.49
$ 7,311	**$ 8,333**	**$ 9,365**	**$ 10,408**	**$ 11,461**	**$ 12,524**	**$ 13,595**	**$ 14,675**	**$ 15,763**	**$ 16,860**	**$ 17,963**	**$ 19,074**	**$ 20,192**	**$ 21,314**	**$ 22,441**
$ 35,308	**$ 43,641**	**$ 53,006**	**$ 63,414**	**$ 74,875**	**$ 87,399**	**$ 100,994**	**$ 115,669**	**$ 131,432**	**$ 148,292**	**$ 166,255**	**$ 185,329**	**$ 205,521**	**$ 226,835**	**$ 249,276**
$ 3,656	**$ 4,167**	**$ 4,683**	**$ 5,204**	**$ 5,731**	**$ 6,262**	**$ 6,798**	**$ 7,338**	**$ 7,882**	**$ 8,430**	**$ 8,982**	**$ 9,537**	**$ 10,096**	**$ 10,657**	**$ 11,221**
$ 3,656	**$ 4,167**	**$ 4,683**	**$ 5,204**	**$ 5,731**	**$ 6,262**	**$ 6,798**	**$ 7,338**	**$ 7,882**	**$ 8,430**	**$ 8,982**	**$ 9,537**	**$ 10,096**	**$ 10,657**	**$ 11,221**
$340,928	$376,604	$411,764	$446,402	$480,514	$514,095	$547,139	$579,644	$611,605	$643,018	$673,879	$704,184	$733,931	$763,116	$791,738
$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081
$1,669,009	$1,704,685	$1,739,845	$1,774,483	$1,808,595	$1,842,176	$1,875,220	$1,907,725	$1,939,686	$1,971,099	$2,001,960	$2,032,265	$2,062,012	$2,091,197	$2,119,819

Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
13,023	13,348	13,682	14,024	14,375	14,734	15,102
13,023	13,348	13,682	14,024	14,375	14,734	15,102
13,023	13,348	13,682	14,024	14,375	14,734	15,102
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
8,470	8,682	8,899	9,121	9,349	9,583	9,823
174,591	**178,955**	**183,429**	**188,015**	**192,715**	**197,533**	**202,472**
Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
3,176	3,256	3,337	3,421	3,506	3,594	3,684
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,176	3,256	3,337	3,421	3,506	3,594	3,684
177,767	182,211	186,766	191,435	196,221	201,127	206,155
-8,730	-8,948	-9,171	-9,401	-9,636	-9,877	-10,124
169,037	**173,263**	**177,595**	**182,034**	**186,585**	**191,250**	**196,031**
Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
4,456	4,612	4,774	4,941	5,114	5,293	5,478
4,412	4,567	4,726	4,892	5,063	5,240	5,424

927	959	993	1,027	1,063	1,100	1,139
556	575	596	616	638	660	683
15,090	15,618	16,165	16,730	17,316	17,922	18,549
6,618	6,850	7,090	7,338	7,595	7,861	8,136
1,103	1,142	1,182	1,223	1,266	1,310	1,356
14,117	14,470	14,832	15,202	15,582	15,972	16,371
7,783	8,056	8,338	8,629	8,931	9,244	9,568
1,655	1,712	1,772	1,834	1,899	1,965	2,034
6,618	6,850	7,090	7,338	7,595	7,861	8,136
1,588	1,644	1,702	1,761	1,823	1,887	1,953
8,326	8,617	8,919	9,231	9,554	9,889	10,235
4,527	4,685	4,849	5,019	5,195	5,377	5,565
2,118	2,192	2,269	2,348	2,430	2,515	2,603
662	685	709	734	759	786	814
3,309	3,425	3,545	3,669	3,797	3,930	4,068
4,964	5,137	5,317	5,503	5,696	5,895	6,102
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,118	6,241	6,366	6,493	6,623	6,755	6,890
-	-	-	-	-	-	-
94,948	**98,038**	**101,231**	**104,530**	**107,939**	**111,462**	**115,102**
5,000	5,000	5,000	5,000	5,000	5,000	5,000
$ -	$ -	$ -	$ -	$ -	$ -	$ -
99,948	**103,038**	**106,231**	**109,530**	**112,939**	**116,462**	**120,102**
69,089	**70,225**	**71,365**	**72,504**	**73,646**	**74,788**	**75,929**
Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
45,516	45,516	45,516	45,516	45,516	45,516	45,516
1.52	1.54	1.57	1.59	1.62	1.64	1.67
$ 23,573	**$ 24,709**	**$ 25,849**	**$ 26,988**	**$ 28,130**	**$ 29,272**	**$ 30,413**
$ 272,849	**$ 297,558**	**$ 323,407**	**$ 350,395**	**$ 378,525**	**$ 407,797**	**$ 438,210**
$ 11,787	**$ 12,355**	**$ 12,925**	**$ 13,494**	**$ 14,065**	**$ 14,636**	**$ 15,207**
$ 11,787	**$ 12,355**	**$ 12,925**	**$ 13,494**	**$ 14,065**	**$ 14,636**	**$ 15,207**
$819,794	$847,282	$874,200	$900,548	$926,326	$951,532	$976,168
$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081	$1,328,081
$2,147,875	$2,175,363	$2,202,281	$2,228,629	$2,254,407	$2,279,613	$2,304,249

2012-019155-20
Recorded - Official Records
Humboldt County, California
Carolyn Crnich, Recorder
Recorded by: ARCATA CTY

RECORDING REQUESTED BY:

City of Arcata

WHEN RECORDED MAIL TO:
City Clerk
City of Arcata
736 F Street
Arcata, CA 95521

Clerk: KL Total:$0.00
Jul 20, 2012 at 15:43:32

Exempt from recording fee
Per GC 27383

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

THE CITY OF ARCATA
SANDPIPER MOBILE HOME PARK

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS is made effective this 6th day of June, 2012, by Resident Owned Parks Inc, a California nonprofit public benefit corporation, called "Trustor", whose address is **7420 Greenhaven Drive, Suite 125 , Sacramento, CA 95831**, to Fidelity National Title Company, herein called "Trustee", and the City of Arcata, a political subdivision of the State of California, herein called "Beneficiary."

WITNESSETH: that Trustor hereby irrevocably grants, transfers and assigns to Trustee, its successors and assigns, in trust, with power of sale, all Trustor's right, title and interest now owned or later acquired in the real property ("Property") located in the City of Arcata, County of Humboldt, State of California, more particularly described in the attached Exhibit A, incorporated by reference (Trustor agrees that any greater title to the Property later acquired during the term of this Deed of Trust will be subject to this Deed of Trust).

TOGETHER WITH all and singular the tenements, hereditaments, rights, rights of way, easements, privileges and appurtenances thereunto belonging, or in anyway appertaining (all as part of the Property hereby conveyed) which shall be deemed to include but not to be limited to (i) all rents, issues, profits, royalties and revenue therefrom, subject, however, to any right, power and authority hereinafter given to and conferred upon Beneficiary to collect the same; (ii) all buildings ("Buildings") and improvements and fixtures (whether or not annexed thereto) now or hereafter used in connection with the Property or the Development thereon.

FOR THE PURPOSE OF SECURING, the following indebtedness (collectively, the "Indebtedness") in the order of priority that Beneficiary determines:

(1) Payment of the indebtedness evidenced by a Note secured by this Deed of Trust (and any renewals or extensions or modifications thereof) (the "Note"), of even date herewith, in the principal sum of **ONE MILLION FOUR HUNDRED SEVENTY THOUSAND Dollars and ZERO CENTS ($1,470,000.00)** payable to Beneficiary or to order, and all extensions, modifications or renewals of the Note, the final payment on which is due as described in the Note, executed by Trustor and delivered to Beneficiary, together with the interest thereon and late charges as provided by the Note which is made a part hereof by reference;

(2) Payment of the interest on that indebtedness according to the terms of the Note;

(3) Payment of all other sums (with interest as provided in this Deed of Trust) becoming due and payable to Beneficiary or Trustee pursuant to the terms of this Deed of Trust;

(4) performance of every obligation contained in this Deed of Trust, Note, Loan Agreement and Regulatory Agreement (collectively referred to as "Loan Documents"), all of which are fully incorporated herein by reference together with all exhibits and attachments, and are on file at the offices of the Beneficiary, which is located at 736 F Street, Arcata, California 95521, any instrument now or later evidencing or securing any indebtedness secured by this Deed of Trust, and any agreements, supplemental agreements, or other instruments of security executed by Trustor as of the same date of this Deed of Trust or at any time subsequent to the date of this Deed of Trust for the purpose of further securing any indebtedness secured by this Deed of Trust, or any part of it, or for the purpose of supplementing or

amending this Deed of Trust or any instrument secured by this Deed of Trust; and

(5) payment of all other obligations owed by Trustor to Beneficiary that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

ARTICLE 1.
WARRANTY OF TITLE

1.1 Warranty of Title.

Trustor warrants that:

(a) Trustor is the lawful owner of the Property;

(b) Trustor will maintain and preserve the lien of this Deed of Trust until the Indebtedness has been paid in full;

(c) Trustor has good, right, and lawful authority to grant the Property as provided in this Deed of Trust; and

(d) Trustor will forever warrant and defend the grant made in this Deed of Trust against all claims and demands, except as are specifically set forth in this Deed of Trust.

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES

Trustor represents and warrants to Beneficiary that as of the date of this Deed of Trust:

2.1. Organization of the Loan Parties.

(a) Trustor is a nonprofit public benefit corporation organized, validly existing, and in good standing under the laws of the State of California and is qualified to do business in California.

(b) Trustor has the requisite power and authority to own and manage its properties, to carry on its business as now being conducted, and to own, develop, and operate the Property.

(c) Trustor is qualified to do business in every jurisdiction in which the nature of its business or its properties makes qualification necessary.

(d) Trustor is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to it.

2.2. Validity of Loan Documents.

(a) The execution, delivery, and performance by the parties of the Loan Documents and the borrowings evidenced by the Note:

(i) are within the power of the parties;

(ii) have been duly authorized by all requisite corporate or partnership actions, as appropriate;

(iii) have received all necessary governmental approval; and

(iv) will not violate any provision of law, any order of any court or agency of government, the charter documents of any party, or any indenture, agreement, or any other instrument to which any party has entered or by which any party or any of its property is bound, nor will they conflict with, result in a breach of, or constitute (with due notice and lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature on any of the property or assets of any party, except as contemplated by the provisions of the Loan Documents.

(b) Each of the Loan Documents, when executed and delivered to Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

2.3. Financial Statements.

(a) All financial statements and data that have been given to Beneficiary with respect to Trustor:

(i) are complete and correct in all material respects;

(ii) accurately present the financial condition of Trustor on each date as of which they have been furnished, and accurately present the results of the operations of Trustor for the periods for which they have been furnished; and

(iii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered.

(b) All balance sheets and the notes with respect to the Trustor furnished to Beneficiary disclose all liabilities of Trustor, fixed and contingent, as of their respective dates, as well as all obligations of Trustor under any guaranties.

(c) There has been no material adverse change in the financial condition or operations of Trustor since:

(i) the date of the most recent financial statement given to Beneficiary with respect to Trustor of the

Property, or

(ii) the date of the financial statements given to Beneficiary immediately prior to the date of this Deed of Trust, other than changes in the ordinary course of business, none of which constitute a material adverse change, either individually or in the aggregate.

2.4. Use of Proceeds of Loan.

Trustor will use the funds or the Property advanced pursuant to the Note to develop, maintain, and operate the Development.

2.5. Other Arrangements.

Trustor is not a party to any agreement or instrument materially and adversely affecting Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise; and Trustor is not in default in the performance, observance, or fulfillment of any of the material obligations, covenants, or conditions in any agreement or instrument to which Trustor is a party that materially affect Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise.

2.6. Other Information.

All other reports, papers, data, and information given to Beneficiary with respect to Trustor and the Property are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Beneficiary a true and accurate knowledge of the subject matter.

2.7. Litigation.

There is not now pending against or affecting Trustor, nor to the knowledge of Trustor is there threatened, any action, suit, or proceeding at law or in equity or before any administrative agency that, if adversely determined, would materially impair or affect the financial condition or operations of Trustor, or the condition or operation of the Property.

2.8. Taxes.

Trustor has filed all federal, state, county, and municipal income tax returns required to have been filed and has paid all taxes that have become due pursuant to those returns or pursuant to any assessments received by Trustor, and Trustor does not know of any basis for any additional assessment against Trustor in respect of those taxes.

ARTICLE 3.
AFFIRMATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

3.1. Obligations of Trustor.

Trustor will pay the Indebtedness and Trustor will continue to be liable for the payment of the Indebtedness until it has been paid in full. In addition, Trustor

(a) will timely perform all the covenants, agreements, terms, and conditions to be performed by Trustor:

(i) under this Deed of Trust and the Loan Documents;

(ii) as seller under each contract of sale of, and as lessor under each lease of, for any portion of the Property for which a contract of sale or lease has been approved in writing by Beneficiary;

(iii) as required of Trustor under each document and agreement constituting one of the Security Documents;

(iv) under all other agreements between Trustor and Beneficiary in accordance with the respective terms of the agreement; and

(v) as required of Trustor under all other agreements to which Trustor is a party with respect to the Property;

(b) will not cancel, surrender, modify, amend, or permit the cancellation, surrender, modification, or amendment of any of the previously mentioned agreements or any of the covenants, agreements, terms, or conditions contained in any of them without the prior written consent, in each case, of Beneficiary; and

(c) will keep Beneficiary indemnified against all actions, proceedings, costs (including, without limitation, Beneficiary's counsel fees and disbursements), claims, and damages incurred or sustained by Beneficiary in respect of the nonpayment of any charges or the nonobservance or nonperformance of any of the covenants, agreements, terms, or conditions in any of the previously mentioned agreements.

3.2 Insurance.

(a) Trustor, at its sole cost and expense, will keep the Property insured for the mutual benefit of Trustor and Beneficiary against loss or damage as required in Section 15 of the Regulatory Agreement and Section 2(b) of the Loan Agreement.

(b) Effective on the occurrence of any Event of Default, all of Trustor's right, title, and interest in all policies of property insurance and any unearned premiums paid are assigned to Beneficiary, who may assign them to any purchaser of the Property at any foreclosure sale.

3.3 Imposition; Impounds.

(a) Impositions Affecting the Property. Trustor will pay when due all Impositions that are or that may become a lien on the Property or are assessed against the Property or its rents, royalties, profits, and income.

(b) Taxes Affecting Trustor. Trustor will file all federal, state, provincial, county, and municipal income tax returns required to be filed and will pay all taxes that become due pursuant to the returns or pursuant to any assessments received by Trustor.

(c) Impounds; Impound Account. At the request of Beneficiary, Trustor will pay on a monthly basis to Beneficiary an amount equal to one-twelfth (1/12th) of the annual cost of taxes and assessments on the Property together with premiums; the accumulated funds will be released to Trustor for payment of taxes, assessments, and insurance premiums, or may be directly applied by Beneficiary, if Beneficiary elects.

3.4 Further Assurances.

Trustor, at Trustor's expense and at any time on the reasonable request of Beneficiary, will execute, acknowledge, and deliver any additional papers and instruments (including, without limitation, a declaration of no setoff) and any further assurances of title and will do or cause to be done all further acts and things that may be proper or reasonably necessary to carry out the purpose of this Deed of Trust and of the Loan Documents and to subject to the liens any property intended by the terms to be covered and any renewals, additions, substitutions, replacements, or betterments.

3.5 Indemnity.

(a) If any action or proceeding (whether judicial, regulatory, or administrative) is threatened or commenced, except an action to foreclose this Deed of Trust or to collect the Indebtedness that affects the Property or any portion of it in which Beneficiary is or could be made a party, or in which it becomes necessary to defend or uphold the lien of this Deed of Trust, then all costs, fees, and expenses incurred by Beneficiary with respect to the action or proceeding (including, without limitation, attorney fees and expenses) will, within ten (10) days after the submission of bills for the costs to Trustor, be paid directly to the billing party by Trustor.

(b) In addition, Trustor agrees to pay all costs, including, without limitation, attorney fees and expenses, incurred by Beneficiary in enforcing the terms of this Deed of Trust or the terms of any of the Loan Documents, whether or not suit is filed. Trustor agrees to indemnify and hold Beneficiary harmless from all liability, loss, damage, or expense (including, without limitation, attorney fees) that it may incur under this Deed of Trust, or in connection with the making of any of the loans or financial arrangements secured by this Deed of Trust, the enforcement of any of Beneficiary's rights or remedies, any action taken by Beneficiary under this Deed of Trust, or by reason or in defense of any claims and demands that may be asserted against Beneficiary arising out of the Collateral.

(c) On the failure of Trustor to make timely payment pursuant to the terms of this Deed of Trust, the payment may be paid by Beneficiary. Sums of money paid by Beneficiary, and sums owed to Beneficiary pursuant to this Deed of Trust, together with interest at the Default Rate from the date Beneficiary makes the payment or incurs the loss, will be secured by this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

(d) The provisions of this Section 3.5 will survive the termination of this Deed of Trust and the repayment of the Indebtedness.

3.6 Reimbursement.

Beneficiary will have the right to declare immediately due any amount paid by it for any tax, stamp tax, assessment, water rate, sewer rate, insurance premium, repair, rent charge, debt, claim, inspection, or lien having priority over this Deed of Trust, or over any other agreement given to secure the Indebtedness.

3.7 Litigation.

Trustor will promptly give written notice to Beneficiary of any litigation commenced or threatened affecting

Trustor or the Property other than unlawful detainer proceedings brought by Trustor.

ARTICLE 4.
NEGATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

4.1 Other Financing, Subordination.

Except for the liens securing the Indebtedness, Trustor will not create or permit to continue in existence any mortgage, pledge, encumbrance, lien, or charge of any kind (including purchase money and conditional sale liens) on any of the Property in a superior position on title except for:

(a) liens for taxes not yet delinquent; and

(b) any other liens or charges that are specifically approved in writing by Beneficiary prior to its recordation.

Any transaction in violation of this section will cause all Indebtedness, irrespective of the Maturity Date, at the option of the holder and without demand or notice, to immediately become due.

4.2 Transferability.

One of the inducements to Beneficiary for making the Loan is the identity of Trustor. The existence of any interest in the Property other than the interests of Trustor and Beneficiary and any encumbrance permitted in this Deed of Trust, even though subordinate to the security interest of Beneficiary, and the existence of any interest in Trustor other than those of the present owners, would impair the Property and the security interest of Beneficiary, and, therefore, Trustor will not sell, convey, assign, transfer, alienate, or otherwise dispose of its interest in the Property, either voluntarily or by operation of law, or agree to do so, without the prior written consent of Beneficiary. Consent to one transaction by Beneficiary will not be deemed a waiver of the right to require consent to further or successive transactions. If Trustor is a corporation, any sale, transfer, or disposition of fifty percent (50%) or more of the voting stock of Trustor or of any corporation that directly or indirectly owns or controls Trustor, including, without limitation, the parent company of Trustor and the parent company of the parent company of Trustor, will constitute a sale of the Property for purposes of this article. If Trustor is a partnership, any change or addition of a general partner of Trustor, change of a partnership interest of Trustor, or sale, transfer, or disposition of fifty percent (50%) or more of the voting stock or partnership interest of any partner of Trustor or of any corporation or partnership that directly or indirectly owns or controls any partner of Trustor, including, without limitation, each parent company of a partner of Trustor and each parent company of any parent company of a partner of Trustor, will constitute a sale of the Property for purposes of this section. Any transaction in violation of this section will cause all Indebtedness, irrespective of the maturity dates, at the option of the holder and without demand or notice, immediately to become due, together with any prepayment premium in accordance with the terms of the Note.

4.3 Replacement of Fixtures and Personalty.

Trustor will not permit any of the fixtures located on the Development or now or later installed in or used in connection with the Development, whether or not permanently affixed to the Property ("Fixtures") or any personal property ("Personalty") now or later located on the Property to be removed at any time from the Property without the prior written consent of Beneficiary unless actually replaced by articles of equal suitability and value owned by Trustor free and clear of any lien or security interest except as may be approved in writing by Beneficiary.

ARTICLE 5.
CASUALTIES AND CONDEMNATION

5.1 Casualties.

(a) Trustor will promptly notify Beneficiary in writing after any loss or damage caused by fire or other casualty to the Property prior to the making of any repairs. Trustor will furnish to Beneficiary within ninety (90) days after the loss or damage the following:

(i) evidence satisfactory to Beneficiary of the cost of repair or reconstruction;

(ii) evidence satisfactory to Beneficiary that sufficient funds are available or committed for the benefit of Beneficiary, including insurance proceeds, payment and performance bonds, or otherwise, to complete the repair or reconstruction; and

(iii) evidence satisfactory to Beneficiary that the repair or reconstruction may be completed in accordance with all applicable laws, rules, regulations, and ordinances and that all necessary permits and approvals have been or will be obtained.

If Trustor does not furnish this evidence to Beneficiary within the ninety-day period, or if Beneficiary in its sole discretion determines that repair or reconstruction is not economically feasible, then within thirty (30) days after the expiration of the ninety-day period, Beneficiary will have the option (in this Deed of Trust, "Repayment Option") to have all insurance proceeds applied against the Indebtedness. If Beneficiary elects the Repayment Option, Trustor will immediately transfer to Beneficiary all insurance proceeds received by it, if any, to the extent of the Indebtedness, and Beneficiary will apply the insurance proceeds received by it, if any, against the Indebtedness. If the insurance proceeds held by Trustor and Beneficiary will exceed the Indebtedness, any excess insurance proceeds will belong and be paid over to or be retained by Trustor.

(b) If Beneficiary does not elect the Repayment Option within the specified time period, Trustor will with all diligence repair or otherwise reconstruct the damage to the Property, all according to the original plans and specifications for the improvements and elevations or any modified plans and specifications conforming to the then laws and regulations as will first have been approved in writing by Beneficiary and any occupants of the Improvements having the right to approve. Beneficiary will use all insurance proceeds, if any, received by it relating to the damage or destruction to reimburse Trustor from time to time for expenditures made for repair of the damage or for the erection of any building, structure, or improvements in their place if permitted as follows:

(i) At the end of each month against Trustor's architect's certificate, an amount that will be that proportion of the insurance proceeds held in trust that eighty-five percent (85%) of the payments to be made to the contractors or materialmen for work done, materials supplied, and services rendered during that month bears to the total contract price.

(ii) At the completion of the work, the balance of the proceeds required for completing the payments for the work will be paid to or for the account of Trustor, provided that at the time of the payment:

(A) there are no liens (as evidenced by an endorsement satisfactory to Beneficiary issued by Trustee) against the Property by reason of the work, or proof satisfactory to Beneficiary has been submitted that all costs of the work have been paid; and

(B) Trustor's architect will certify that all required work is completed and is proper and of a quality and class of the original work required by the original plans and specifications and in accordance with the approved plans and specifications.

If the insurance proceeds exceed the costs of completing the work, the excess insurance proceeds will belong and be retained by or be paid over to Beneficiary to be applied against the Indebtedness. If the costs of completing the work exceed the insurance proceeds, Trustor will pay the balance of the costs of completing the work within thirty (30) days after the completion.

5.2. Condemnation.

Trustor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion of it, will notify Trustee and Beneficiary of the pendency of the proceedings. Trustee and Beneficiary may participate in any proceedings and Trustor from time to time will deliver to Beneficiary all instruments requested by Beneficiary to permit participation. If there are condemnation proceedings, the award or compensation payable is assigned to and will be paid to Beneficiary. Beneficiary will be under no obligation to question the amount of any award or compensation and may accept it in the amount in which it is paid. In any condemnation proceedings, Beneficiary may be represented by counsel selected by Beneficiary. The proceeds of any award or compensation received will, at the option of Beneficiary, either be applied, without premium, to the prepayment of the Note or be paid over to Trustor for restoration of the Improvements in accordance with the provisions of this Deed of Trust.

ARTICLE 6.
EVENTS OF DEFAULT AND REMEDIES OF BENEFICIARY

6.1 Events of Default.

(a) The following events are each an Event of Default:

(i) Default in the payment of any sum of principal or interest when due under the Note or any other sum due under the Loan Documents.

(ii) The failure (without cure during the applicable period, if any, for cure) of any party to this loan ("Loan Party") to observe, perform, or discharge any obligation, term, covenant, or condition of Loan Documents, any agreement relating to the Property, or any agreement or instrument between any Loan Party

and Beneficiary.

(iii) The entry of an order for relief under federal bankruptcy laws as to Trustor or the adjudication of Trustor as insolvent or bankrupt pursuant to the provisions of any state insolvency or bankruptcy act; the commencement by Trustor of any case, proceeding, or other action seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or other relief for debtors; Trustor's consent to, acquiescence in, or attempt to secure the appointment of, any Receiver of all or any substantial part of its properties or of the Property; Trustor's generally not paying its debts as they become due or admitting in writing its inability to pay its debts or making a general assignment for the benefit of creditors; or Trustor's taking of any action to authorize any of the acts set forth above in this section.

(iv) Any case, proceeding, or other action against Trustor is commenced, seeking to have an order for relief entered against it as a debtor or seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation relating to bankruptcy, insolvency, reorganization, or other relief for debtors, or seeking appointment of any Receiver for Trustor or for all or any substantial part of its property or for the Property, and that case, proceeding, or other action:

(A) results in the entry of an order for relief against it that is not fully stayed within seven business days after the entry, or

(B) remains undismissed for an aggregate of thirty (30) days (whether or not consecutive);

or the possibility that any portion of the Property would, by operation of law or otherwise, devolve on or pass to any Person other than Trustor and that situation continues and is not remedied by Trustor within thirty (30) days after the happening of the event.

(v) The assignment by Trustor, as lessor or sublessor, as the case may be, of the rents or the income of the Property or any part of it (other than to Beneficiary) without first obtaining the written consent of Beneficiary.

(vi) The filing of any claim or lien against the Property or any part of it, except for those liens to which Beneficiary has specifically agreed to subordinate to as specified in Section 4.1, and the continued maintenance of the claim or lien for a period of thirty (30) days without discharge, satisfaction, or adequate bonding in accordance with the terms of this Deed of Trust;

(vii) Default under any agreement to which Trustor is a party, which agreement relates to the borrowing of money by Trustor from any Person.

(viii) Any representation or warranty made by any Loan Party or any other Person under this Deed of Trust or in, under, or pursuant to the Loan Documents, is false or misleading in any material respect as of the date on which the representation or warranty was made.

(ix) Any of the Loan Documents, at any time after their respective execution and delivery and for any reason, cease to be in full force or are declared null and void, or the validity or enforceability is contested by any Loan Party or any stockholder or partner of any Loan Party, or any Loan Party denies that it has any or further liability or obligation under any of the Loan Documents to which it is a party.

(x) Any of the Security Documents, at any time after their respective execution and delivery and for any reason, cease to constitute valid and subsisting liens or valid and perfected security interests in and to the property purported to be subject to any of the Security Documents;

(xi) Any representation made by any Loan Party in the Certification Agreement is false or misleading in any material respect as of the date made, or any breach or default in any of Trustor's obligations under the Certification Agreement;

(xii) The occurrence of any material adverse change in the business or properties or condition (financial or otherwise) of Trustor or the condition or operation of the Property.

(b) If one or more Event of Default occurs and is continuing, then Beneficiary may declare all the Indebtedness to be due and the Indebtedness will become due without any further presentment, demand, protest, or notice of any kind, and Beneficiary may:

(i) in person, by agent, or by a receiver, and without regard to the adequacy of security, the solvency of Trustor, or the existence of waste, enter on and take possession of the Property or any part of it in its own name or in the name of Trustee, sue for or otherwise collect the rents, issues, and profits, and apply them, less costs and expenses of operation and collection, including reasonable attorney fees, upon the Indebtedness, all in any order that Beneficiary may determine. The entering on and taking possession of the Property, the collection of rents, issues, and profits, and the application of them will not cure or waive any default or notice of default or invalidate any act done pursuant to the notice;

(ii) commence an action to foreclose this Deed of Trust in the manner provided by law for the

foreclosure of mortgages of real property;

(iii) deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Property to be sold, which notice Trustee or Beneficiary will cause to be filed for record;

(iv) with respect to any Personalty, proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect of the Property, or proceed to sell the Personalty separately and without regard to the Property in accordance with Beneficiary's rights and remedies; or

(v) exercise any of these remedies in combination or any other remedy at law or in equity.

6.2 Power of Sale.

(a) If Beneficiary elects to foreclose by exercise of the power of sale in this Deed of Trust, Beneficiary will also deposit with Trustee this Deed of Trust, the Note, and any receipts and evidence of expenditures made and secured as Trustee may require. If notice of default has been given as then required by law, and after lapse of the time that may then be required by law, after recordation of the notice of default, Trustee, without demand on Trustor, will, after notice of sale having been given as required by law, sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels as Trustee determines, and in any order that it may determine, at public auction to the highest bidder. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time after that may postpone the sale by public announcement at the time fixed by the preceding postponement, and without further notice make the sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Beneficiary may rescind any notice of default at any time before Trustee's sale by executing a notice of rescission and recording it. The recordation of the notice will constitute a cancellation of any prior declaration of default and demand for sale and of any acceleration of maturity of Indebtedness affected by any prior declaration or notice of default. The exercise by Beneficiary of the right of rescission will not constitute a waiver of any default then existing or subsequently occurring, or impair the right of Beneficiary to execute other declarations of default and demand for sale, or notices of default and of election to cause the Property to be sold, nor otherwise affect the Note or this Deed of Trust, or any of the rights, obligations, or remedies of Beneficiary or Trustee. After sale, Trustee will deliver to the purchaser its deed conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts will be conclusive proof of their truthfulness. Any Person, including Trustor, Trustee, or Beneficiary, may purchase at that sale. If allowed by law, Beneficiary, if it is the purchaser, may turn in the Note at the amount owing on it toward payment of the purchase price (or for endorsement of the purchase price as a payment on the Note if the amount owing exceeds the purchase price). Trustor expressly waives any right of redemption after sale that Trustor may have at the time of sale or that may apply to the sale.

(b) Trustee, upon the sale, will make (without any covenant or warranty, express or implied), execute and, after due payment made, deliver to a purchaser and its heirs or assigns a deed or other record of interest, as the case may be, to the Property sold, which will convey to the purchaser all the title and interest of Trustor in the Property and will apply the proceeds of the sale in payment:

(i) first, of the expenses of the sale together with the expenses of the trust, including, without limitation, attorney fees, that will become due on any default made by Trustor, and also any sums that Trustee or Beneficiary have paid for procuring a search of the title to the Property subsequent to the execution of this Deed of Trust; and

(ii) second, in payment of the Indebtedness then remaining unpaid, and the amount of all other monies with interest in this Deed of Trust agreed or provided to be paid by Trustor.

Trustee will pay the balance or surplus of the proceeds of sale to Trustor and its successors or assigns as its interests may appear.

6.3. Proof of Default.

If there is a sale of the Property, or any part of it, and the execution of a deed for it, the recital of default and of recording notice of breach and election of sale, and of the elapsing of the required time between the recording and the following notice, and of the giving of notice of sale, and of a demand by Beneficiary that the sale should be made, will be conclusive proof of the default, recording, election, elapsing of time, and the due giving of notice, and that the sale was regularly and validly made on proper demand by Beneficiary. Any deed with these recitals will be effectual and conclusive against Trustor, its successors, and assigns, and all other Persons. The receipt for the purchase money recited or in any deed executed to the purchaser will be sufficient discharge to the purchaser from all obligations to see to the proper application of the purchase money.

6.4 Protection of Security.

If an Event of Default occurs and is continuing, Beneficiary or Trustee, without limitation to do so, without notice to or demand upon Trustor, and without releasing Trustor from any obligations or defaults may:

(a) enter on the Property in any manner and to any extent that either deems necessary to protect the security of this Deed of Trust;

(b) appear in and defend any action or proceeding purporting to affect, in any manner, the Obligations or the Indebtedness, the security of this Deed of Trust, or the rights or powers of Beneficiary or Trustee;

(c) pay, purchase, or compromise any encumbrance, charge, or lien that in the judgment of Beneficiary or Trustee is prior or superior to this Deed of Trust; and

(d) pay necessary expenses, employ counsel, and pay reasonable attorney fees.

Trustor agrees to repay on demand all sums expended by Trustee or Beneficiary pursuant to this section with interest at the Default Rate, and those sums, with interest, will be secured by this Deed of Trust.

6.5. Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of strict right and without notice to Trustor or anyone claiming under Trustor and without regard to the then value of the Property, will have the right to apply *ex parte* to any court having jurisdiction to appoint a Receiver of the Property, and Trustor waives notice of any application for that, provided a hearing to confirm the appointment with notice to Trustor is set within fourteen (14) days after the appointment. Any Receiver will have all the powers and duties of receivers in similar cases and all the powers and duties of Beneficiary in case of entry as provided in this Deed of Trust, and will continue as such and exercise all those powers until the date of confirmation of sale, unless the receivership is terminated sooner.

6.6. Curing the Defaults.

If Trustor at any time fails to perform or comply with any of the terms, covenants, and conditions required on Trustor's part to be performed and complied with under this Deed of Trust, the Note, any of the other Loan Documents, or any other agreement that, under the terms of this Deed of Trust, Trustor is required to perform, then Beneficiary, after seven (7) Business Days' notice to Trustor (or without notice if Beneficiary determines that an emergency exists), and without waiving or releasing Trustor from any of the Obligations, may, subject to the provisions of any of the agreements:

(a) make from its own funds any payments payable by Trustor and take out, pay for, and maintain any of the insurance policies provided for; and

(b) perform any other acts on the part of Trustor to be performed and enter on the Property for that purpose.

The making by Beneficiary of payments out of Beneficiary's own funds will not, however, be deemed to cure the default by Trustor, and they will not be cured unless and until Trustor reimburses Beneficiary for the payments. All sums paid and all reasonable costs and expenses incurred by Beneficiary in connection with the performance of any act, together with interest on unpaid balances at the Default Rate from the respective dates of Beneficiary's making of each payment, will be added to the principal of the Indebtedness, will be secured by the Security Documents and by the lien of this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

6.7 Remedies Cumulative.

All remedies of Beneficiary provided for in this Deed of Trust are cumulative and will be in addition to all other rights and remedies provided in the other Loan Documents or provided by law, including any banker's lien and right of offset. The exercise of any right or remedy by Beneficiary will not in any way constitute a cure or waiver of default, will not invalidate any act done pursuant to any notice of default, nor will it prejudice Beneficiary in the exercise of any of its rights unless, in the exercise of those rights, Beneficiary collects the total amount of the Indebtedness.

ARTICLE 7.
SECURITY AGREEMENT

7.1 Grant of Security Interest.

Trustor also grants to Beneficiary a security interest in all of Trustor's right, title, and interest now owned or later acquired to the following property (collectively, "Collateral") now or later affixed to or located on the Property, or used in connection with the operation of the Property or the Improvements and all the proceeds of that property: the Personalty; the Fixtures; all machinery, equipment, engines, appliances, and fixtures for generating or distributing air, water, heat, electricity, light, fuel, or refrigeration, or for ventilating or sanitary purposes, or for the exclusion of vermin

or insects, or for the removal of dust, refuse, or garbage; all fire hoses and brackets and boxes for them, fire sprinklers, alarm systems, linoleum, carpets and carpeting, plumbing, bathtubs, sinks, basins, pipes, faucets, water closets, laundry equipment, washers, dryers, refrigerators, heating units, stoves, ovens, ranges, dishwashers, disposals, water heaters, incinerators, furniture, fixtures, and furnishings; all building materials, supplies, and equipment now or later delivered to the Property; all security and cleaning deposits collected from any tenants or lessees of any part of the Property; and, subject to the other provisions of this Deed of Trust, all proceeds of any fire and builders' risk insurance policy, or of any policy insuring the Property (and the contents of the Improvements) against any other perils, all awards made in eminent domain proceedings, or purchased in lieu of that, made with respect to the Property, and any compensation, award, payment, or relief given by any governmental agency or other source because of damage to the Property resulting from earthquake, flood, windstorm, or any emergency or any other event or circumstance. The specific enumerations in this Deed of Trust do not exclude the general.

The security interest also includes all additions to, substitutions for, changes in, or replacements of the whole or any part of these articles of property, together with all contract rights of Trustor in construction contracts, bonds, agreements for purchase and sale of the Property, all policies of insurance arising out of the improvement or ownership of the Property, and all accounts, contract rights, chattel paper, instruments, general intangibles, and other obligations of any kind now or later existing, arising out of, or in connection with the operation or development of the Property. The security interest also includes all rights now or later existing in all security agreements, leases, and other contracts securing or otherwise relating to any accounts, contract rights, chattel paper, instruments, general intangibles, or obligations; all causes of action and recoveries now or later existing for any loss or diminution in value of the Property; all proceeds of any of the Collateral; and, to the extent not otherwise included, all payments under insurance (whether Beneficiary is the loss payee), or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Collateral.

7.2. Remedies.

This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is granted a security interest. Beneficiary has all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor agrees to execute and deliver on demand, and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to execute, deliver, and file, any security agreements, financing statements, continuation statements, or other instruments that Beneficiary may request to impose, perfect, or continue the perfection of the lien or security interest created by this Deed of Trust. On the occurrence of any Event of Default (taking into account any applicable period of grace or cure), Beneficiary will have the right to sell at any public or private sales as permitted by applicable law any of the Collateral that is personal property. Beneficiary will also have any other rights and remedies, whether at law, in equity, or by statute that are available to secured creditors. Any disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any Person, including both Trustor and Beneficiary, will be eligible to purchase any part or all of the Collateral at any disposition.

7.3 Expenses.

Expenses of retaking, holding, and preparing for sale, selling, or the like will be borne by Trustor and will include Beneficiary's and Trustee's attorney fees and legal expenses. Trustor, on demand of Beneficiary, will assemble the Collateral and make it available to Beneficiary at the Property, a place deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary will give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time of or after which any private sale or any other intended disposition is to be made. If the notice is sent to Trustor in the manner provided for the mailing of notices in this Deed of Trust, it is deemed reasonable notice to Trustor.

7.4 Fixture Filing.

(a) This Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to all Fixtures included within the term Property as used in this Deed of Trust and with respect to any goods, Collateral, or other personal property that may now be or later become fixtures.

(b) It is understood and agreed that, to protect Beneficiary against the effect of Uniform Commercial Code, 9313, if any fixture owned by Trustor on the Property, or any part of any fixture, is replaced or added to, or any new fixture owned by Trustor is installed by Trustor, and in each case the fixture has a cost or fair market value in excess of Five Thousand Dollars ($5,000.00), and the fixture is or may be subject to a security interest held by a seller or any other party, the following will apply:

(i) Trustor or any owner of all or any part of the Property will, before the replacement, addition, or installation of any fixture, obtain the prior written approval of Beneficiary, and give Beneficiary written notice that a security agreement with respect to the fixture has been or will be consummated, and the notice will contain the following information:

(A) a description of the fixtures to be replaced, added to, installed, or substituted;

(B) a recital of the location at which the fixtures will be replaced, added to, installed, or substituted;

(C) a statement of the name and address of the holder and amount of the security interest; and

(D) the date of the purchase of the fixtures.

Neither this subsection nor any consent by Beneficiary pursuant to this subsection will constitute an agreement to subordinate any right of Beneficiary in fixtures or other property covered by this Deed of Trust.

(ii) Beneficiary may at any time pay the balance due under the security agreement and the amount paid will be:

(A) secured by this Deed of Trust and will be a lien on the Property, enjoying the same priorities as this Deed of Trust,

(B) added to the amount of the Note or other obligation secured by this Deed of Trust, and

(C) payable on demand with interest at the Default Rate from the time of the payment; and if Trustor is in default for ten (10) days after demand, the entire principal sum secured with all unpaid interest will, at the Beneficiary's option, become immediately due, regardless of any contrary provision in this Deed of Trust or the Note; or Beneficiary will have the privilege of acquiring by assignment from the holder of the security interest any contract rights, accounts receivable, chattel paper, negotiable or nonnegotiable instruments, or other evidence of Trustor's Indebtedness for the fixtures, and, on acquiring these interests by assignment, will have the right to enforce the security interest as an assignee, in accordance with the California Uniform Commercial Code and other applicable law.

(iii) Whether Beneficiary has paid or taken an assignment of the security interest, if at any time Trustor is in default for a period of ten (10) days under the security agreement covering the fixtures, that default will be considered a material breach of Trustor's covenants under this Deed of Trust, and will, at Beneficiary's option, constitute a default under this Deed of Trust, and the principal sum secured will, at Beneficiary's option, become immediately due.

(iv) The provisions of subsections (ii) and (iii) above will not apply if the goods that may become fixtures are of at least equivalent value and quality as any property being replaced and if the rights of the party holding the security interest have been expressly subordinated, at no cost to Beneficiary, to the lien of this Deed of Trust in a manner satisfactory to Beneficiary, including, without limitation, at Beneficiary's option, providing to Beneficiary a satisfactory opinion of counsel that this Deed of Trust constitutes a valid and subsisting first lien on the fixtures that is not subordinate to the lien of the security interest under any applicable law, including, without limitation, the provisions of Uniform Commercial Code 9313.

7.5 Assignment of Agreements.

(a) As partial security for the Loan, Trustor sells, assigns, transfers, sets over, and delivers to Beneficiary all of Trustor's right, title, and interest in all agreements, permits, and contracts pertaining to the use or operation of the Property, including, but not limited to, environmental impact reports; negative declarations; map approvals; grading and construction permits; conditional use permits; applications for all permits; management agreements; all development rights in the Property that Trustor may now or later acquire (including, without limitation, development rights arising in connection with any action by a governmental entity, including, by way of illustration, but not of limitation, inducement resolutions of county, municipal, or other governmental entities); agreements with contractors, suppliers, and construction managers; and agreements pertaining to the transfer of development rights or permitted floor area under applicable laws or ordinances (collectively, "Agreements"), as they may be amended or otherwise modified from time to time, including, without limitation, the right of Trustor to terminate any of the Agreements, to perform under them, and to compel performance and otherwise exercise all remedies under them, together with the immediate and continuing right to collect and receive all sums that may become due to Trustor, or which Trustor may now or later become entitled to demand or claim, arising or issuing out of the Agreements, including, without limitation, claims of Trustor for damages arising out of breach of or default under any of the Agreements and all rights of Trustor to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to any of the Agreements. However, so long as no Event of Default has occurred and is continuing, Trustor will have the right under a license granted to collect and retain all sums that may become payable to Trustor under the Agreements.

(b) Trustor covenants and agrees to punctually observe, perform, and discharge the obligations, terms,

covenants, conditions, and warranties to be observed, performed, and discharged by it under the Agreements. Beneficiary, upon an Event of Default, at its option and upon written notice to Trustor, will have the right to declare the assignment in this Article to be absolute, and, in addition, Beneficiary will have the complete right then or later to exercise and enforce all of the rights and remedies provided by law.

(c) The acceptance by Beneficiary of the assignment in this Article, with all the rights, powers, privileges, and authority granted will not, prior to the exercise of Beneficiary's right to declare the assignment in this Article to be absolute, obligate Beneficiary to assume any obligations under the Agreements or to take any action under them, or to expend any money or incur any expense or perform or discharge any obligation, duty, or liability under the Agreements, or to assume any obligation or responsibility for the nonperformance of the provisions by Trustor.

ARTICLE 8.
ASSIGNMENT OF LEASES AND RENTS

8.1 Assignment.

Trustor irrevocably assigns to Beneficiary:

(a) all of Trustor's right, title, and interest in all leases; licenses; agreements relating to the management, leasing, or operation of the Property; and other agreements of any kind relating to the use or occupancy of the Property, whether now existing or entered into after the date of this Deed of Trust ("Leases"), and

(b) the rents, issues, and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("Payments"), for the purposes and on the terms and conditions below.

The term Leases will also include all guarantees of and security for the lessees' performance, and all amendments, extensions, renewals, or modifications that are permitted. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent on, and may be exercised without, possession of the Property.

8.2 License.

Beneficiary confers on Trustor a license ("License") to collect and retain the Payments as they become due until the occurrence of an Event of Default. Upon an Event of Default, the License will be automatically revoked and Beneficiary may collect and retain the Payments without notice and without taking possession of the Property. Trustor irrevocably authorizes and directs the lessees under the Leases to rely on and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums that may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases. The lessees will have no right or duty to inquire as to whether any Default has actually occurred or is then existing. Trustor relieves the lessees from any liability to Trustor by reason of relying on and complying with any notice or demand by Beneficiary.

8.3 Effect of Assignment.

The assignment will not impose on Beneficiary any duty to produce rents, issues, or profits from the Property, or cause Beneficiary to be:

(a) a mortgagee-in-possession for any purpose;

(b) responsible for performing any of the obligations of the lessor under any of the Leases; or

(c) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property.

Beneficiary will not be liable to Trustor or any other party as a consequence of the exercise of the rights granted to Beneficiary under this assignment or the failure of Beneficiary to perform any obligation of Trustor arising under the Leases.

8.4 Leasing Covenants.

Trustor covenants and agrees as follows:

(a) At Trustor's sole cost to:

(i) perform all obligations of the lessor under the Leases and enforce performance by the lessees of their obligations under the Leases;

(ii) enforce all remedies available to Trustor in case of default by the lessees under any of the Leases and prosecute and defend any action, arbitration, or other controversy relating to any of the Leases or to Trustor's interest in any of the Leases;

(iii) give Beneficiary prompt notice of any default that occurs under any of the Leases, whether by the lessees or Trustor;

(iv) promptly upon execution, deliver to Beneficiary fully executed counterpart originals of the Leases; and

(b) except with Beneficiary's prior written consent, not to:

(i) execute any other assignment relating to any of the Leases or the Payments;

(ii) subordinate any of the Leases to any other deed of trust or encumbrance.

Any attempted action in violation of the provisions of Section 8.4(b) will be voidable at Beneficiary's election.

8.5. Application of Rents.

Beneficiary, in its sole discretion, may apply, or require the application of, all amounts received pursuant to the assignment to the payment of any one or more of the Obligations in any order that Beneficiary may elect.

8.6. Estoppel Certificates.

Within twenty (20) days after request by Beneficiary, Trustor will deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates executed by Trustor and by each of the lessees, in recordable form, certifying:

(a) that the assignment and the Leases are in full force;

(b) the date of each lessee's most recent payment of rent;

(c) that there are no defenses or offsets outstanding, or stating those claimed by Trustor or lessees under the assignment or the Leases; and

(d) any other information reasonably requested by Beneficiary.

8.7 Remedies.

In addition to any other remedies in this Deed of Trust, Beneficiary will have the following rights and remedies upon the occurrence of an Event of Default:

(a) To receive the Payments and any other amounts arising or accruing under the Leases or from the Property;

(b) To collect, sue for, settle, compromise, and give releases for the Payments and pursue any remedies for the enforcement of the Leases or Trustor's rights under the Leases; and

(c) To take possession of the Property, and hold, manage, lease, and operate it on any terms and for any period of time that Beneficiary may deem proper and, either with or without taking possession of the Property, in its own name, make from time to time all alterations, renovations, repairs, or replacements that Beneficiary may deem proper.

8.8 Definitions.

The terms lessor and lessors as used in this Deed of Trust will include all owners, landlords, licensors, and other parties in a similar position with respect to the Leases. The terms lessee and lessees will include any tenants and licensees and any other parties in a similar position and will also include any guarantors of or other obligors under the Leases.

ARTICLE 9.
MISCELLANEOUS

9.1 Successor Trustee.

Beneficiary may remove Trustee or any successor trustee at any time and appoint a successor trustee by recording a written substitution in the county where the Property is located, or in any other manner permitted by law. Upon that appointment, all of the powers, rights, and authority of Trustee will immediately become vested in the successor.

9.2 Change of Law.

If any law is passed, after the date of this Deed of Trust, that deducts from the value of the Property, for the purposes of taxation, any lien on it, or changes in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured by mortgage or deed of trust (other than laws imposing taxes on income) or the manner of the collection of any taxes so as to affect adversely the rights of Beneficiary as holder of the Note and Beneficiary under this Deed of Trust, the Indebtedness will become due at Beneficiary's option, exercised by thirty (30) days' notice to Trustor unless Trustor, within that thirty (30) day period, if permitted by law, assumes the payment of any tax or other charge imposed on Beneficiary for the period remaining until full payment by Trustor of the Indebtedness.

9.3 No Waiver.

No waiver by Beneficiary of any default or breach by Trustor will be implied from any omission by Beneficiary to take action on account of that default if the default persists or is repeated. Also, no express waiver will affect any default other than the default in the waiver and the waiver will be operative only for the time and to the extent stated. Waivers of any covenant, term, or condition in this Deed of Trust will not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by Beneficiary for any act by Trustor requiring further consent or approval will not be deemed to waive or render unnecessary the consent or approval for any subsequent similar act.

9.4 Abandonment.

Subject to any chattel mortgages, security agreements, or other liens on title that may exist with the consent of Beneficiary, or any provided for in this Deed of Trust, all Personalty that upon foreclosure of the Property is owned by Trustor and is used in connection with the operation of the Property will be deemed at Beneficiary's option to have become on that date a part of the Property and abandoned to Beneficiary in its then condition.

9.5 Survival.

The covenants and agreements in this Deed of Trust will bind and inure to the benefit of Beneficiary and Trustor and their successors and assigns. It is agreed that Beneficiary may assign to or grant a participation in any one or more lenders, free from any right of counterclaim, recoupment, or setoff by Trustor, Beneficiary's rights and obligations in whole or in part under the Loan Documents. Nothing in this Article 11.6 is intended to limit other provisions in the Loan Documents that by their terms survive the repayment of the Indebtedness or the termination of any Loan Document.

9.6 Severability.

If any term, provision, covenant, or condition of this Deed of Trust or any application of it is held by a court of competent jurisdiction to be invalid, void, or unenforceable, in whole or in part, all terms, provisions, covenants, and conditions of this Deed of Trust and all applications of it not held invalid, void, or unenforceable will continue in full force and will not be affected, impaired, or invalidated.

9.7 References to Foreclosure.

References in this Deed of Trust to foreclosure and related phrases are references to the appropriate procedure in connection with Trustee's private power of sale, any judicial foreclosure proceeding, and any deed given in lieu of foreclosure.

9.8 Joinder of Foreclosure.

If Beneficiary holds any other or additional security for the payment of any Indebtedness or performance of any Obligation, its sale or foreclosure, on any default in the payment or performance, in Beneficiary's sole discretion, may be prior to, subsequent to, or joined or otherwise contemporaneous with any sale or foreclosure. In addition to the rights in this Deed of Trust specifically conferred, Beneficiary, at any time and from time to time, may exercise any right or remedy now or later given by law to beneficiaries under deeds of trust generally, or to the holders of any obligations of the kind secured.

9.9 Rights of Beneficiary and Trustee.

At any time and from time to time, without liability and without notice, and without releasing or otherwise affecting the liability of any person for payment of any Indebtedness,

(a) Beneficiary, at its sole discretion and only in writing, may extend the time for or release any Person now or later liable for payment of any Indebtedness, or accept or release additional security, or subordinate the lien or charge of this Deed of Trust, or

(b) Trustee, on written request of Beneficiary and presentation of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust for endorsement, may reconvey any part of the Property, consent to the making of any map or plat of it, join in granting any easement on it, or join in any agreement of extension or subordination.

On Beneficiary's written request and surrender of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust to Trustee for cancellation, and on payment to Trustee of its fees and expenses, Trustee will reconvey without warranty the then trust property. The recitals in any reconveyance will be conclusive proof of the truthfulness of them, and the grantee in any reconveyance may be described as the person legally entitled.

9.10 Copies.

Trustor will promptly give to Beneficiary copies of all

(a) notices of violation that Trustor receives from any governmental agency or authority; and

(b) notices of default that Trustor receives under any agreement relating to the borrowing of money by Trustor from any Person.

9.11 Subordination.

In addition to the subordination authorized in Section 4.1, at the option of Beneficiary, this Deed of Trust will become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to any insurance proceeds, damages, awards, or compensation resulting from damage to the Property or condemnation or exercise of power of eminent domain), to any contracts of sale or any leases of the Property on the execution by Beneficiary and recording of a unilateral declaration to that effect in the official records of the county and state where the Property is located. Beneficiary may require the issuance of any title insurance endorsements to the Title Policy in connection with any subordination that Beneficiary, in its judgment, determines are appropriate, and Trustor will be obligated to pay any cost or expense incurred in connection with the issuance.

9.12 No Merger.

So long as any of the Indebtedness remains unpaid or Beneficiary has any further obligation under the Loan Documents, unless Beneficiary otherwise consents in writing, the fee estate of Trustor in the Property or any part of it will not merge, by operation of law or otherwise, with any leasehold or other estate in the Property or any part of it, but will always be kept separate and distinct, regardless of the union of the fee estate and the leasehold or other estate in Trustor or any other Person.

9.13. Performance by Trustor.

Trustor will faithfully perform every covenant to be performed by Trustor under any lien or encumbrance, including, without limiting the generality of this Deed of Trust, mortgages, deeds of trust, leases, declarations or covenants, conditions and restrictions, and other agreements that affect the Property, in law or in equity, that Beneficiary reasonably believes may be prior and superior to or on a parity with the lien or charge of this Deed of Trust. A breach of or a default under any lien or encumbrance that exists after any applicable grace period in the pertinent instrument has expired without that breach or default having been cured, will constitute an Event of Default under this Deed of Trust. If Trustor fails to do so, Beneficiary, without demand or notice and in its sole judgment, may do any things required by Trustor by any of the provisions in this Deed of Trust and incur and pay expenses in connection with that.

9.14 Personalty Security Instruments.

Trustor agrees that if Beneficiary at any time holds additional security for any obligations secured by this Deed of Trust, it may enforce the terms of it or otherwise realize on it, at its option, either before or concurrently or after a sale is made under this Deed of Trust, and may apply the proceeds on the Indebtedness secured without affecting the status or waiving any right to exhaust any other security, including the security under this Deed of Trust, and without waiving any breach or default or any right or power, whether exercised under this Deed of Trust or in any other security.

9.15 Suits to Protect Property.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or any additional or other security for the obligations secured, the interest of Beneficiary or the rights, powers, or duties of Trustee, and to pay all costs and expenses, including, without limitation, cost of evidence of title and attorney fees, in any action or proceeding in which Beneficiary or Trustee may appear or be made a party, including, but not limited to, foreclosure or other proceeding commenced by those claiming a right to any part of the Property under subordinate liens, in any action to partition or condemn all or part of the Property, whether pursued to final judgment, and in any exercise of the power of sale in this Deed of Trust, whether the sale is actually consummated.

9.16 Further Advances.

On the request of Trustor or its permitted successors in ownership of the Property, Beneficiary may, at its option, at any time before full payment of the Indebtedness, make further advances to Trustor or the successors in ownership, with interest and late charges to be secured by this Deed of Trust. However, the amount of principal secured by this Deed of Trust and remaining unpaid will not at the time of and including any advance exceed the original principal sum secured. Also, if Beneficiary, at its option, makes a further advance or advances, Trustor or the successors in ownership agree to execute and deliver to Beneficiary a note, payable on or before the maturity of the Indebtedness secured and bearing any other terms that Beneficiary will require.

9.17 Waiver of Statute of Limitations.

The pleading of any statute of limitations as a defense to any obligations secured by this Deed of Trust is waived, to the fullest extent permissible by law.

9.18 Charges for Statements.

Trustor agrees to pay Beneficiary's reasonable charge, to the maximum amount permitted by law, for any statement regarding the obligations secured by this Deed of Trust requested by Trustor or on its behalf.

9.19 Entire Agreement.

This Deed of Trust and the other Loan Documents set forth the entire understanding between Trustor and Beneficiary and they will not be amended except by a written instrument duly executed by each of Trustor and Beneficiary. Any previous representations, warranties, agreements, and understandings among the parties regarding the subject matter of the Loan or the Loan Documents, whether written or oral, are superseded by this Deed of Trust and the other Loan Documents.

9.20 Incorporation.

All terms of the Loan Documents are incorporated in this Deed of Trust by this reference. All persons who may have or acquire an interest in the Property will be deemed to have notice of the terms of the Loan Documents and to have notice, if provided for, that the rate of interest on one or more Obligations may vary from time to time.

9.21. Waiver of Marshaling Rights.

Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property, waives all rights to have the Property or any other property that is now or later may be security for any Obligation ("Other Property") marshaled on any foreclosure of this Deed of Trust or on a foreclosure of any other security for any of the Obligations. Beneficiary will have the right to sell, and any court in which foreclosure proceedings may be brought will have the right to order a sale of, the Property and any of the Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

9.22 Acceptance of Trust; Powers and Duties of Trustee.

Trustee accepts this trust when this Deed of Trust is recorded. From time to time on written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or the performance of any obligations, Trustee may, without liability and without notice:

(a) reconvey all or any part of the Property;

(b) consent to the making of any map or plat; and

(c) join in any grant of easement, any declaration of covenants, conditions, and restrictions, any extension agreement, or any agreement subordinating the lien or charge of this Deed of Trust.

Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust and the enforcement of the rights and remedies available, and may obtain orders or decrees directing, confirming, or approving acts in the execution of the trust and the enforcement of the remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding, including, without limitation, actions in which Trustor, Beneficiary, or Trustee will be a party, unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee will not be obligated to perform any act required of it under this Deed of Trust unless the performance of the act is requested in writing and Trustee is reasonably indemnified and held harmless against any loss, cost, liability, or expense.

9.23 Releases, Extensions, Modifications, and Additional Security.

Without notice to or the consent, approval, or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Obligation; take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Obligation; or accept additional security or release the Property or other security for any Obligation. None of these actions will release or reduce the personal liability of any of the Interested Parties, or release or impair the lien of this Deed of Trust, or the priority of it on the Property. However, no action taken or agreement made by Beneficiary to extend the maturity or otherwise alter the terms or increase the amount of any Obligation will be binding on Trustor without Trustor's consent.

9.24 Reconveyance.

Upon the payment and performance of all Obligations, including, without limitation, Beneficiary's receipt of all sums owing and outstanding under the Note, Beneficiary will deliver to Trustee a written request for reconveyance, and will surrender to Trustee for cancellation this Deed of Trust and any note or instrument evidencing the Obligations. However, Beneficiary will have no obligation to deliver the written request and documents until Beneficiary has been paid by Trustor, in immediately available funds, all escrow, closing, and recording costs, the costs of preparing and issuing the reconveyance, and any trustee's or reconveyance fees. On Trustee's receipt of the written request by Beneficiary and the documents, Trustee will reconvey, without warranty, the Property or that portion then held. To the extent permitted by law, the reconveyance may describe the grantee as the person or persons legally entitled and the recitals of any matters or facts in any reconveyance will be conclusive proof of the truthfulness of them. Neither Beneficiary nor Trustee will have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last reconveyance will operate as a reassignment of all future rents, issues, and profits of the Property to the person legally entitled.

9.25 Obligations of Trustor, Joint and Several.

If more than one person has executed this Deed of Trust as Trustor, the obligations of all those persons will be joint and several.

9.26 Rules Of Construction.

When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural.

9.27 Successors in Interest.

The terms, covenants, and conditions in this Deed of Trust will be binding on and inure to the benefit of the heirs, successors, and assigns of the parties.

9.28 No Offset.

Trustor will pay to Beneficiary all amounts owing under the Note, this Deed of Trust, or any of the other Obligations without deduction, offset, or counterclaim of any kind.

9. 29 Governing Law.

The parties expressly agree that this Deed of Trust (including, without limitation, all questions regarding permissive rates of interest) will be governed by or construed in accordance with the laws of California and federal law, where applicable.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

Resident Owner Parks, Inc., a California non profit public benefit corporation:

By: _____
Maurice A. Priest, President

ACKNOWLEDGMENT

State of California)
County of Sacramento)

On 7-11-12 before me D. Horn,
personally appeared Maurice A. Priest, 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 _____

D. HORN
Commission # 1931448
Notary Public - California
Sacramento County
My Comm. Expires Apr 30, 2015

(Seal)

Exhibit A

LEGAL DESCRIPTION

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

REQUEST FOR FULL RECONVEYANCE

TO _____, TRUSTEE Dated: _____, 20___

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

_____ _____

(Signature)

_____ _____

DO NOT LOSE OR DESTROY THE DEED OF TRUST AND NOTE WHICH IT SECURES.
BOTH MUST BE DELIVERED TO THE TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.

AMENDMENT No. 2 TO
LOAN AGREEMENT
BETWEEN
THE CITY OF ARCATA AND
RESIDENT OWNED PARKS, INC.
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
(SANDPIPER PARK)

This is an amendment ("Amendment") to that certain agreement entered into between the City of Arcata ("City"), the Arcata Community Development Agency ("Agency"), and Resident Owned Parks, Inc, a California nonprofit public benefit corporation ("Borrower") entitled *Loan Agreement, The City Of Arcata, Arcata Community Development Agency Home Investment Partnerships Program (HOME) Loan Number 06-Home Pi-Mfp-001 (Sandpiper Park)*, effective October 1, 2010, assigned by the Agency to the City on March 9, 2011, amended on September 7, 2011. The agreement and first amendment are hereinafter collectively referred to as the "Loan Agreement". This Amendment is effective June 6, 2012.

RECITALS

WHEREAS, the City and former Arcata Community Development Agency have together provided up to $1,266,862.00 in loan assistance to Borrower to assist in its acquisition and rehabilitation and construction of 19 moderate, low and very low income housing units at the Sandpiper Mobile Home Park located at 115 South G Street, Arcata, CA ("Property").

WHEREAS, Borrower has nearly completed all site work, however due to cost overruns related to the multiple permitting agencies' requirements, and the failure of the California Housing and Community Development (HCD) to approve Home Investment Partnership Program (HOME) Program Income for this affordable housing project, Borrower lacks the funding to construct the affordable housing units.

WHEREAS, the City desires to provide up to $1,470,000.00 of additional loan funding to Borrower to allow Borrower to purchase, install and construct 19 income assisted homes at the Sandpiper Property.

NOW THEREFORE, in consideration of the mutual promises conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. **Additional Funding, Revisions to Sources and Amount of Funding**. Recital E and Section 3 of the Loan Agreement are hereby amended to state that the City will additionally advance up to **$1,470,000.00** from the City's Housing Improvement Project Fund, Public Works Improvement Fund, and/or Housing Successor Fund to Borrower for completion of Improvements on the Property, all other prior funding commitments to remain unchanged.

2. **Construction and Completion of Improvements.** Section 2(a) of the Loan Agreement is modified to state the revised construction schedule as follows: All Improvements shall be completed within 12 months from the date of this Amendment No.2.

3. **Amendment to Regulatory Agreement.** As a condition to receiving the additional funds advanced in this Amendment No. 2, Borrower agrees to amend the Regulatory Agreement recorded as instrument number 2010-28351-42 in the Humboldt County Official Records., and to amend and/or execute promissory notes and deeds of trust as may be reasonably requested by the City.

4. **Security.** As a condition to receiving the additional funds advanced in this Amendment No. 2, Borrower agrees to execute and encumber the Property with a deed of trust and assignment of rents in trust for the benefit of the City, and any other security that the City may from time to time require.

5. **Ratification of Agreement**. The terms and conditions of the Loan Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

The parties have executed this Amendment No. 1 effective on the date first above written.

CITY OF ARCATA:

By: _____
Randal J. Mendosa, City Manager

BORROWER:

Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By: _____
Maurice A. Priest, President

STATE OF CALIFORNIA

COUNTY OF Sacramento

On 7-11-12

before me, D. Horn

a Notary Public, personally appeared

Maurice A. Priest

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

D. HORN
Commission # 1931448
Notary Public - California
Sacramento County
My Comm. Expires Apr 30, 2015

(This area for official notarial seal)

ESCROW NO.:

TITLE ORDER NO.:

STATE OF CALIFORNIA

COUNTY OF Humboldt

On July 13, 2012

before me, C. Coronado

a Notary Public, personally appeared

Randal J. Mendosa

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

C. CORONADO
COMMISSION # 1931689
Notary Public - California
HUMBOLDT COUNTY
My Comm. Expires Apr. 26, 2015

(This area for official notarial seal)

ESCROW NO.: I

TITLE ORDER NO.:

AMENDMENT No. 1 TO
LOAN AGREEMENT
BETWEEN
THE CITY OF ARCATA AND
RESIDENTS OWNED PARKS, INC.
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
(SANDPIPER PARK)

This is an amendment ("Amendment") to that certain agreement entered into between the City of Arcata ("City"), the Arcata Community Development Agency ("Agency"), and Resident Owned Parks, Inc, ("Borrower") entitled *Loan Agreement, The City Of Arcata, Arcata Community Development Agency Home Investment Partnerships Program (HOME) Loan Number 06-Home Pi-Mfp-001 (Sandpiper Park)*, effective October 1, 2010, assigned by the Agency to the City of Arcata on March 9, 2011, ("Loan Agreement"). This Amendment is effective September 7, 2011.

RECITALS

WHEREAS, the parties entered into the Loan Agreement in which the City agreed to provide financial assistance to Borrower for acquisition and rehabilitation of the Sandpiper Mobile Home Park located at 115 South G Street, Arcata, CA ("Property"), to construct and manage 19 out of 20 units on the Property as moderate, low and very low income housing.

WHEREAS, a portion of the loan funds from the City, in the amount of $400,470.00, were to be provided from the City's Home Investment Partnership Program (HOME) Program Income; however, the State of California Housing and Community Development Department did not approve expenditure of HOME Program Income for this project.

WHEREAS, Borrower has additionally revised its construction cost estimates and determined it will have a funding shortfall due to extended Property vacancies and increased construction costs.

WHEREAS, Borrower has recently revised its project design for the Property to ensure compliance with federal regulations pertaining to manufactured homes, and determined that it can create 19 total units consisting of 16 manufactured homes and three efficiency apartments, instead of the previously planned 20 units consisting of 18 manufactured homes and two efficiency apartments.

WHEREAS, the City acknowledges replacement housing requirements of Government Code Section 65590 and Health and Safety Code Section 33413, and will commit funding from its Housing Improvement Project Fund to provide for replacement affordable housing.

WHEREAS, the parties desire to amend the Loan Agreement to 1) designate a source of loan funds other than HOME Program Income; 2) increase the City's funding assistance to address Borrower's cash shortfall problems; and, 3) revise the number and type of housing requirements.

NOW THEREFORE, in consideration of the mutual promises conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. **Revisions to Number of Assisted Units**. The definition of "Improvement Project" as stated in Recital D of Loan Agreement, is hereby replaced in its entirety and wherever said definition is referenced or used throughout the Loan Agreement, including all Recitals and Exhibits thereto, to

define the Improvement Project as consisting of 19 total units with 16 manufactured homes and 3 efficiency apartments. Of the 19 units, 8 units will be occupied by moderate-income households, 7 by low-income households, and 4 by very low-income households.

Pursuant Government Code Section 65590 and Health and Safety Code Section 33413, the City hereby commits funding from its Housing Improvement Project Fund to be used for replacement affordable housing within three (3) years of the effective date of this Agreement

2. **Revisions to Sources and Amount of Funding**. Recital E and Section 3 of the Loan Agreement are hereby amended to state that the City will advance **$0.00 additional HOME funds**, and **$483,000.00 from the City's Housing Improvement Project Fund, Public Improvement Project Fund, and/or Housing Successor Fund** to Borrower for the continued improvement and rehabilitation of the Sandpiper Park, all other prior funding commitments to remain unchanged.

3. **Cash Shortfall During Construction**. Section 2(b) of the Loan Agreement, *Cash Shortfall During Construction,* is hereby replaced in its entirety by the following paragraph:

   "d. Cash Shortfall During Construction. The City acknowledges that Borrower will have a cash shortfall for operational expenses of the Sandpiper Park prior to and during construction and until the units are fully rented, including but not limited to mortgage payments, insurance, utilities, property taxes, management fees, as identified in Exhibit C to the Regulatory Agreement. Prior to construction the City shall pay said operational cash shortfall from the Operating Reserve and Operating Shortfall, as shown in Exhibit B to the Regulatory Agreement. Upon start of construction, the City shall pay said operational cash shortfall from the Developer Fee, as shown in Exhibit B to the Regulatory Agreement, as needed until full occupancy of the 16 rental spaces and 3 efficiency apartments. The City may elect to pay said operational cash shortfall from other available budget line items as needed. Payments shall be made no more frequently than monthly to Borrower upon receipt of an itemized statement, which shall include such information as requested by the City necessary to verify the cash shortfall. In the event of Borrower's failure to execute an Amendment to the Regulatory Agreement as may be required to implement the terms of Amendment No.1 to the Loan Agreement, the City may discontinue disbursements of loan funds."

4. **Exhibit A**. Exhibit "A" to the Loan Agreement, *Scope of Improvements,* is hereby replaced in its entirety by Exhibit "A – First Amended", attached hereto and incorporated herein.

5. **Evidence of Indebtedness.** As a condition for receiving loan funds set forth in this Amendment No. 1, Borrower agrees to execute in favor of the City a correction to the promissory note executed on October 1, 2010.

6. **Regulatory Agreement Amendment.** As a condition for receiving loan funds set forth in this Amendment No. 1, Borrower agrees to execute an amendment to that certain Regulatory Agreement, recorded in the Humboldt County Records on December 20, 2010 as Instrument No. 2010-28351-42

7. **Ratification of Agreement**. The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

The parties have executed this Amendment No. 1 effective on the date first above written.

CITY OF ARCATA:

By: _____
Randal J. Mendosa, City Manager

BORROWER:
Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By: _____
Maurice A. Priest, President

EXHIBIT A – First Amended
TO LOAN AGREEMENT

SCOPE OF IMPROVEMENTS

I. GENERAL DESCRIPTION

The project will result in the rehabilitation of an existing 20 unit mobile home park located at 115 G Street, Arcata, California (APN 503-224-046). The renovated Park will have 19 total units. The City and Agency have committed to fund the following improvements related to the Site in the amount of up to $948,462.00 to further the City's affordable housing program:

- Site improvements per the HCD approved site plans.
- A minimum of 10% of lot area shall be landscaped.
- Pave driveway and one parking space per unit.
- Install underground natural gas hookups to all 19 units.
- Replace underground utilities to all 19 units.
- Removal of the existing laundry and apartment building and construction of a new 2-story building with 3 one-bedroom apartments, office, and laundry.
- The participant hereby commits to submit site improvement plans, bid and contract documents to the City for review and approval prior to going out to competitive bid or permit application submittal.

II. IMPROVEMENT STANDARDS

The site shall be designed and developed according to the following development standards.

A. State Mobile Home Park Permit. Borrower shall comply with all standards set by the Sandpiper Mobile Home Park holds Permit # 12-0041-MP issued by the California Department of Housing and Community Development.

B. City of Arcata General Plan: Borrower shall comply with the City's General Plan 2020 and all amendments.

C. City Land use Zoning: Borrower shall comply with the City's Land Use and Development Guide and all amendments and revisions.

D. Nonconforming Site Conditions. Existing nonconforming conditions shall not be changed in a way that results in a greater degree of nonconformity

E. Building Height. The building height shall not exceed the coverage limits established for the Site in the City's Municipal Code.

F. Parcel Coverage. The structures to be constructed shall not exceed the coverage limits established for the Site in the City's Municipal Code.

G. Building Setbacks. Minimum building setbacks shall be in conformance with the City's Municipal Code.

H. Building Construction. The improvements to be constructed on the Site and all work of construction on the Site (in general) shall be performed in accordance with the City's Municipal Code, the approved architectural and construction plans, drawing and specifications pertaining thereto, and all applicable state and local laws in effect from time to time including, without limitation, the Building, Electrical, Heating, Ventilation and Plumbing Codes of the City.

I. Signs. Signs and signing shall be limited in size, subdued and otherwise designed to contribute positively to the environment, and shall be in conformance with the City's Municipal Code.

J. Screening and Landscaping. All outdoor storage of materials or equipment shall be enclosed or screened by walls, landscaping or enclosure to the extent and in the manner required by the City's Municipal Code and in accordance with approved Site and landscape plans, drawings and specifications.

STATE OF CALIFORNIA

COUNTY OF Sacramento

On 7-11-12

before me D. Horn

a Notary Public, personally appeared

Maurice A. Priest

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

D. HORN
Commission # 1931448
Notary Public - California
Sacramento County
My Comm. Expires Apr 30, 2015

(This area for official notarial seal)

ESCROW NO.: TITLE ORDER NO.:

STATE OF CALIFORNIA

COUNTY OF Humboldt

On July 13, 2012

before me, C. Coronado

a Notary Public, personally appeared

Randal J. Mendosa

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

C. CORONADO
COMMISSION # 1931689
Notary Public - California
HUMBOLDT COUNTY
My Comm. Expires Apr. 26, 2015

(This area for official notarial seal)

ESCROW NO.: I TITLE ORDER NO.:

2011-6363-1
Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder
Recorded by CITY OF ARCATA
Exempt from payment of fees
Clerk: LH Total: 0.00
Mar 25, 2011 at 14:46

RECORDING REQUESTED BY:
Finance Director, City of Arcata
When Recorded Mail Document To:

City of Arcata
City Clerk
736 F St.
Arcata, CA 95521

This document is exempt from recording fees pursuant to Calif. Government Code § 27383.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ASSIGNMENT OF BENEFICIAL INTEREST IN DEED OF TRUST

For value received, the undersigned hereby grants, assigns and transfers to the **City of Arcata** ("Assignee"), all of the undersigned's beneficial interest in that certain Deed of Trust dated **October 1, 2010** executed by the **Resident Owned Parks, Inc., a California Corporation** ("Borrower"), as Trustor, in favor of the undersigned, as beneficiary, which was recorded on **December 20, 2010** as **Instrument No. 2010-28353-20 in Recorder's Office of the County of Humboldt**, State of California (the "Deed of Trust").

Together, with the note or notes therein described or referred to, the money due and to become due with interest, and all rights accrued or to accrue under said Deed of Trust.

(The undersigned has independently and effective March 9, 2011 assigned and transferred to Assignee, all of the undersigned's right, title and interest in and to the promissory note which is secured by the Deed of Trust.)

Dated: March 25, 2011

ASSIGNOR:
Arcata Community Development Agency

By: L P Oetker
Name: Larry Oetker
Its: Assistant Executive Director

ACKNOWLEDGMENT

State of California)
County of Humboldt)

On March 25, 2011 (date) before me D. Longueira-Monday (name and title of officer), personally appeared Larry P. Oetker, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/a~~re~~ subscribed to the within instrument and acknowledged to me that he/she/the~~y~~ executed the same in his/her/the~~ir~~ authorized capacity(ie~~s~~), and that by his/her/the~~ir~~ 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 D. Longueira-Monday

D. LONGUEIRA-MONDAY
Commission # 1911725
Notary Public - California
Humboldt County
My Comm. Expires Nov 2, 2014

(Seal)

5010

RECORDING REQUESTED BY:
Fidelity National Title Company of California
Escrow No.: 04-2
Locate No.: CAFNT0912-0912-0001-0000000002
Title No.:

When Recorded Mail Document To:
Resident Owned Parks, Inc.
7420 Greenhaven Dr., Suite 125
Sacramento, CA 95831

2010-28543-1
Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder
ecorded by FIDELITY NATIONAL TITLE CO.
Rec Fee 13.00
DA Fraud Fee 3.00
Clerk: LH Total: 16.00
Dec 22, 2010 at 10:13

APN: 503-224-046-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

FULL RECONVEYANCE

Fidelity National Title Company
as present trustee under that certain Deed of Trust dated **March 8, 2007,**

executed by
Resident Owned Parks, Inc., a California nonprofit public benefit corporation
as Trustor(s), and

recorded as instrument no. **2007-8126-20** on **March 9, 2007**, in book **N/A**, at page **N/A** of Official Records, in the Office of the County Recorder of **Humboldt** county, **California,**

having been requested in writing by the holder of the obligations secured by said Deed of Trust to reconvey the estate granted to Trustee under said Deed of Trust, DOES HEREBY RECONVEY to the person or persons legally entitled thereto, without warranty, all the estate, title, and interest acquired by Trustee under said Deed of Trust.

DATED: December 21, 2010

Fidelity National Title Company

BY: _____
Jennifer M. Simpson, V.P.

State of California)
County of Humboldt)

On December 21, 2010 before me,
N. Slater, Notary Public
(here insert name and title of the officer), personally appeared
Jennifer M. Simpson,
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.

N. SLATER
COMM. #1850147
NOTARY PUBLIC • CALIFORNIA
HUMBOLDT COUNTY
My Comm. Expires June 15, 2013

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)

N. SLATER
COMM. #1850147
NOTARY PUBLIC • CALIFORNIA
HUMBOLDT COUNTY
My Comm. Expires June 15, 2013

2010-28354-20
Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder
Recorded by FIDELITY NATIONAL TITLE CO.
Rec Fee 70.00
Combined Doc 39.00
DA Fraud Fee 3.00
Clerk: MM Total: 112.00
Dec 20, 2010 at 15:06

RECORDING REQUESTED BY:

City of Arcata

WHEN RECORDED MAIL TO:
City Clerk
City of Arcata
736 F Street
Arcata, CA 95521

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

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOMEPI-MFP-001
SANDPIPER MOBILE HOME PARK

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS is made this 1ST day of October, 2010, by Resident Owned Parks Inc, a California nonprofit public benefit corporation, called "Trustor", whose address is **7420 Greenhaven Drive, Suite 125 , Sacramento, CA 95831**, to Fidelity National Title Company, herein called "Trustee", and the City of Arcata, a political subdivision of the State of California, herein called "Beneficiary."

WITNESSETH: that Trustor hereby irrevocably grants, transfers and assigns to Trustee, its successors and assigns, in trust, with power of sale, all Trustor's right, title and interest now owned or later acquired in the real property ("Property") located in the City of Arcata, County of Humboldt, State of California, more particularly described in the attached Exhibit A, incorporated by reference (Trustor agrees that any greater title to the Property later acquired during the term of this Deed of Trust will be subject to this Deed of Trust),

TOGETHER WITH all and singular the tenements, hereditaments, rights, rights of way, easements, privileges and appurtenances thereunto belonging, or in anyway appertaining (all as part of the Property hereby conveyed) which shall be deemed to include but not to be limited to (i) all rents, issues, profits, royalties and revenue therefrom, subject, however, to any right, power and authority hereinafter given to and conferred upon Beneficiary to collect the same; (ii) all buildings ("Buildings") and improvements and fixtures (whether or not annexed thereto) now or hereafter used in connection with the Property or the Development thereon.

FOR THE PURPOSE OF SECURING, the following indebtedness (collectively, the "Indebtedness") in the order of priority that Beneficiary determines:

(1) Payment of the indebtedness evidenced by a Note secured by this Deed of Trust (and any renewals or extensions or modifications thereof) (the "Note"), of even date herewith, in the principal sum of **SIX HUNDRED SEVENTY-NINE THOUSAND FOUR HUNDRED SEVENTY Dollars ($679,470)** payable to Beneficiary or to order, and all extensions, modifications or renewals of the Note, the final payment on which is due as described in the Note, executed by Trustor and delivered to Beneficiary, together with the interest thereon and late charges as provided by the Note which is made a part hereof by reference;

(2) Payment of the interest on that indebtedness according to the terms of the Note;

(3) Payment of all other sums (with interest as provided in this Deed of Trust) becoming due and payable to Beneficiary or Trustee pursuant to the terms of this Deed of Trust;

(4) performance of every obligation contained in this Deed of Trust, Note, Loan Agreement and Regulatory Agreement (collectively referred to as "Loan Documents"), all of which are fully incorporated herein by reference together with all exhibits and attachments, and are on file at the offices of the Beneficiary, which is located at 736 F Street, Arcata, California 95521, any instrument now or later evidencing or securing any indebtedness secured by this Deed of Trust, and any agreements, supplemental agreements, or other instruments of security executed by Trustor as of

(1)

the same date of this Deed of Trust or at any time subsequent to the date of this Deed of Trust for the purpose of further securing any indebtedness secured by this Deed of Trust, or any part of it, or for the purpose of supplementing or amending this Deed of Trust or any instrument secured by this Deed of Trust; and

(5) payment of all other obligations owed by Trustor to Beneficiary that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

ARTICLE 1.
WARRANTY OF TITLE

1.1 Warranty of Title.

Trustor warrants that:

(a) Trustor is the lawful owner of the Property;

(b) Trustor will maintain and preserve the lien of this Deed of Trust until the Indebtedness has been paid in full;

(c) Trustor has good, right, and lawful authority to grant the Property as provided in this Deed of Trust; and

(d) Trustor will forever warrant and defend the grant made in this Deed of Trust against all claims and demands, except as are specifically set forth in this Deed of Trust.

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES

Trustor represents and warrants to Beneficiary that as of the date of this Deed of Trust:

2.1. Organization of the Loan Parties.

(a) Trustor is a nonprofit public benefit corporation organized, validly existing, and in good standing under the laws of the State of California and is qualified to do business in California.

(b) Trustor has the requisite power and authority to own and manage its properties, to carry on its business as now being conducted, and to own, develop, and operate the Property.

(c) Trustor is qualified to do business in every jurisdiction in which the nature of its business or its properties makes qualification necessary.

(d) Trustor is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to it.

2.2. Validity of Loan Documents.

(a) The execution, delivery, and performance by the parties of the Loan Documents and the borrowings evidenced by the Note:

(i) are within the power of the parties;

(ii) have been duly authorized by all requisite corporate or partnership actions, as appropriate;

(iii) have received all necessary governmental approval; and

(iv) will not violate any provision of law, any order of any court or agency of government, the charter documents of any party, or any indenture, agreement, or any other instrument to which any party has entered or by which any party or any of its property is bound, nor will they conflict with, result in a breach of, or constitute (with due notice and lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature on any of the property or assets of any party, except as contemplated by the provisions of the Loan Documents.

(b) Each of the Loan Documents, when executed and delivered to Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

2.3. Financial Statements.

(a) All financial statements and data that have been given to Beneficiary with respect to Trustor:

(i) are complete and correct in all material respects;

(ii) accurately present the financial condition of Trustor on each date as of which they have been furnished, and accurately present the results of the operations of Trustor for the periods for which they have been furnished; and

(iii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered.

(b) All balance sheets and the notes with respect to the Trustor furnished to Beneficiary disclose all liabilities of Trustor, fixed and contingent, as of their respective dates, as well as all obligations of Trustor under any guaranties.

(c) There has been no material adverse change in the financial condition or operations of Trustor since:

(i) the date of the most recent financial statement given to Beneficiary with respect to Trustor of the Property, or

(ii) the date of the financial statements given to Beneficiary immediately prior to the date of this Deed of Trust, other than changes in the ordinary course of business, none of which constitute a material adverse change, either individually or in the aggregate.

2.4. Use of Proceeds of Loan.

Trustor will use the funds or the Property advanced pursuant to the Note to develop, maintain, and operate the Development.

2.5. Other Arrangements.

Trustor is not a party to any agreement or instrument materially and adversely affecting Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise; and Trustor is not in default in the performance, observance, or fulfillment of any of the material obligations, covenants, or conditions in any agreement or instrument to which Trustor is a party that materially affect Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise.

2.6. Other Information.

All other reports, papers, data, and information given to Beneficiary with respect to Trustor and the Property are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Beneficiary a true and accurate knowledge of the subject matter.

2.7. Litigation.

There is not now pending against or affecting Trustor, nor to the knowledge of Trustor is there threatened, any action, suit, or proceeding at law or in equity or before any administrative agency that, if adversely determined, would materially impair or affect the financial condition or operations of Trustor, or the condition or operation of the Property.

2.8. Taxes.

Trustor has filed all federal, state, county, and municipal income tax returns required to have been filed and has paid all taxes that have become due pursuant to those returns or pursuant to any assessments received by Trustor, and Trustor does not know of any basis for any additional assessment against Trustor in respect of those taxes.

ARTICLE 3.
AFFIRMATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

3.1. Obligations of Trustor.

Trustor will pay the Indebtedness and Trustor will continue to be liable for the payment of the Indebtedness until it has been paid in full. In addition, Trustor

(a) will timely perform all the covenants, agreements, terms, and conditions to be performed by Trustor:

(i) under this Deed of Trust and the Loan Documents;

(ii) as seller under each contract of sale of, and as lessor under each lease of, for any portion of the Property for which a contract of sale or lease has been approved in writing by Beneficiary;

(iii) as required of Trustor under each document and agreement constituting one of the Security Documents;

(iv) under all other agreements between Trustor and Beneficiary in accordance with the respective terms of the agreement; and

(v) as required of Trustor under all other agreements to which Trustor is a party with respect to the Property;

(b) will not cancel, surrender, modify, amend, or permit the cancellation, surrender, modification, or amendment of any of the previously mentioned agreements or any of the covenants, agreements, terms, or conditions contained in any of them without the prior written consent, in each case, of Beneficiary; and

(c) will keep Beneficiary indemnified against all actions, proceedings, costs (including, without limitation, Beneficiary's counsel fees and disbursements), claims, and damages incurred or sustained by Beneficiary in respect of

the nonpayment of any charges or the nonobservance or nonperformance of any of the covenants, agreements, terms, or conditions in any of the previously mentioned agreements.

3.2 Insurance.

(a) Trustor, at its sole cost and expense, will keep the Property insured for the mutual benefit of Trustor and Beneficiary against loss or damage as required in Section 15 of the Regulatory Agreement and Section 2(b) of the Loan Agreement.

(b) Effective on the occurrence of any Event of Default, all of Trustor's right, title, and interest in all policies of property insurance and any unearned premiums paid are assigned to Beneficiary, who may assign them to any purchaser of the Property at any foreclosure sale.

3.3 Imposition; Impounds.

(a) Impositions Affecting the Property. Trustor will pay when due all Impositions that are or that may become a lien on the Property or are assessed against the Property or its rents, royalties, profits, and income.

(b) Taxes Affecting Trustor. Trustor will file all federal, state, provincial, county, and municipal income tax returns required to be filed and will pay all taxes that become due pursuant to the returns or pursuant to any assessments received by Trustor.

(c) Impounds; Impound Account. At the request of Beneficiary, Trustor will pay on a monthly basis to Beneficiary an amount equal to one-twelfth (1/12th) of the annual cost of taxes and assessments on the Property together with premiums; the accumulated funds will be released to Trustor for payment of taxes, assessments, and insurance premiums, or may be directly applied by Beneficiary, if Beneficiary elects.

3.4 Further Assurances.

Trustor, at Trustor's expense and at any time on the reasonable request of Beneficiary, will execute, acknowledge, and deliver any additional papers and instruments (including, without limitation, a declaration of no setoff) and any further assurances of title and will do or cause to be done all further acts and things that may be proper or reasonably necessary to carry out the purpose of this Deed of Trust and of the Loan Documents and to subject to the liens any property intended by the terms to be covered and any renewals, additions, substitutions, replacements, or betterments.

3.5 Indemnity.

(a) If any action or proceeding (whether judicial, regulatory, or administrative) is threatened or commenced, except an action to foreclose this Deed of Trust or to collect the Indebtedness that affects the Property or any portion of it in which Beneficiary is or could be made a party, or in which it becomes necessary to defend or uphold the lien of this Deed of Trust, then all costs, fees, and expenses incurred by Beneficiary with respect to the action or proceeding (including, without limitation, attorney fees and expenses) will, within ten (10) days after the submission of bills for the costs to Trustor, be paid directly to the billing party by Trustor.

(b) In addition, Trustor agrees to pay all costs, including, without limitation, attorney fees and expenses, incurred by Beneficiary in enforcing the terms of this Deed of Trust or the terms of any of the Loan Documents, whether or not suit is filed. Trustor agrees to indemnify and hold Beneficiary harmless from all liability, loss, damage, or expense (including, without limitation, attorney fees) that it may incur under this Deed of Trust, or in connection with the making of any of the loans or financial arrangements secured by this Deed of Trust, the enforcement of any of Beneficiary's rights or remedies, any action taken by Beneficiary under this Deed of Trust, or by reason or in defense of any claims and demands that may be asserted against Beneficiary arising out of the Collateral.

(c) On the failure of Trustor to make timely payment pursuant to the terms of this Deed of Trust, the payment may be paid by Beneficiary. Sums of money paid by Beneficiary, and sums owed to Beneficiary pursuant to this Deed of Trust, together with interest at the Default Rate from the date Beneficiary makes the payment or incurs the loss, will be secured by this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

(d) The provisions of this Section 3.5 will survive the termination of this Deed of Trust and the repayment of the Indebtedness.

3.6 Reimbursement.

Beneficiary will have the right to declare immediately due any amount paid by it for any tax, stamp tax, assessment, water rate, sewer rate, insurance premium, repair, rent charge, debt, claim, inspection, or lien having priority over this Deed of Trust, or over any other agreement given to secure the Indebtedness.

3.7 Litigation.

Trustor will promptly give written notice to Beneficiary of any litigation commenced or threatened affecting Trustor or the Property other than unlawful detainer proceedings brought by Trustor.

ARTICLE 4.
NEGATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

4.1 Other Financing, Subordination.

Except for the liens securing the Indebtedness, Trustor will not create or permit to continue in existence any mortgage, pledge, encumbrance, lien, or charge of any kind (including purchase money and conditional sale liens) on any of the Property in a superior position on title except for:

(a) liens for taxes not yet delinquent; and

(b) permanent financing loan(s) not to exceed SIX HUNDRED FIFTY THOUSAND Dollars ($650,000), which Beneficiary's loan shall be subordinate to. Beneficiary shall approve in writing the amount of the final permanent financing prior to closing of the permanent financing loan(s).

Any transaction in violation of this section will cause all Indebtedness, irrespective of the Maturity Date, at the option of the holder and without demand or notice, to immediately become due.

4.2 Transferability.

One of the inducements to Beneficiary for making the Loan is the identity of Trustor. The existence of any interest in the Property other than the interests of Trustor and Beneficiary and any encumbrance permitted in this Deed of Trust, even though subordinate to the security interest of Beneficiary, and the existence of any interest in Trustor other than those of the present owners, would impair the Property and the security interest of Beneficiary, and, therefore, Trustor will not sell, convey, assign, transfer, alienate, or otherwise dispose of its interest in the Property, either voluntarily or by operation of law, or agree to do so, without the prior written consent of Beneficiary. Consent to one transaction by Beneficiary will not be deemed a waiver of the right to require consent to further or successive transactions. If Trustor is a corporation, any sale, transfer, or disposition of fifty percent (50%) or more of the voting stock of Trustor or of any corporation that directly or indirectly owns or controls Trustor, including, without limitation, the parent company of Trustor and the parent company of the parent company of Trustor, will constitute a sale of the Property for purposes of this article. If Trustor is a partnership, any change or addition of a general partner of Trustor, change of a partnership interest of Trustor, or sale, transfer, or disposition of fifty percent (50%) or more of the voting stock or partnership interest of any partner of Trustor or of any corporation or partnership that directly or indirectly owns or controls any partner of Trustor, including, without limitation, each parent company of a partner of Trustor and each parent company of any parent company of a partner of Trustor, will constitute a sale of the Property for purposes of this section. Any transaction in violation of this section will cause all Indebtedness, irrespective of the maturity dates, at the option of the holder and without demand or notice, immediately to become due, together with any prepayment premium in accordance with the terms of the Note.

4.3 Replacement of Fixtures and Personalty.

Trustor will not permit any of the fixtures located on the Development or now or later installed in or used in connection with the Development, whether or not permanently affixed to the Property ("Fixtures") or any personal property ("Personalty") now or later located on the Property to be removed at any time from the Property without the prior written consent of Beneficiary unless actually replaced by articles of equal suitability and value owned by Trustor free and clear of any lien or security interest except as may be approved in writing by Beneficiary.

ARTICLE 5.
CASUALTIES AND CONDEMNATION

5.1 Casualties.

(a) Trustor will promptly notify Beneficiary in writing after any loss or damage caused by fire or other casualty to the Property prior to the making of any repairs. Trustor will furnish to Beneficiary within ninety (90) days after the loss or damage the following:

(i) evidence satisfactory to Beneficiary of the cost of repair or reconstruction;

(ii) evidence satisfactory to Beneficiary that sufficient funds are available or committed for the benefit

of Beneficiary, including insurance proceeds, payment and performance bonds, or otherwise, to complete the repair or reconstruction; and

(iii) evidence satisfactory to Beneficiary that the repair or reconstruction may be completed in accordance with all applicable laws, rules, regulations, and ordinances and that all necessary permits and approvals have been or will be obtained.

If Trustor does not furnish this evidence to Beneficiary within the ninety-day period, or if Beneficiary in its sole discretion determines that repair or reconstruction is not economically feasible, then within thirty (30) days after the expiration of the ninety-day period, Beneficiary will have the option (in this Deed of Trust, "Repayment Option") to have all insurance proceeds applied against the Indebtedness. If Beneficiary elects the Repayment Option, Trustor will immediately transfer to Beneficiary all insurance proceeds received by it, if any, to the extent of the Indebtedness, and Beneficiary will apply the insurance proceeds received by it, if any, against the Indebtedness. If the insurance proceeds held by Trustor and Beneficiary will exceed the Indebtedness, any excess insurance proceeds will belong and be paid over to or be retained by Trustor.

(b) If Beneficiary does not elect the Repayment Option within the specified time period, Trustor will with all diligence repair or otherwise reconstruct the damage to the Property, all according to the original plans and specifications for the improvements and elevations or any modified plans and specifications conforming to the then laws and regulations as will first have been approved in writing by Beneficiary and any occupants of the Improvements having the right to approve. Beneficiary will use all insurance proceeds, if any, received by it relating to the damage or destruction to reimburse Trustor from time to time for expenditures made for repair of the damage or for the erection of any building, structure, or improvements in their place if permitted as follows:

(i) At the end of each month against Trustor's architect's certificate, an amount that will be that proportion of the insurance proceeds held in trust that eighty-five percent (85%) of the payments to be made to the contractors or materialmen for work done, materials supplied, and services rendered during that month bears to the total contract price.

(ii) At the completion of the work, the balance of the proceeds required for completing the payments for the work will be paid to or for the account of Trustor, provided that at the time of the payment:

(A) there are no liens (as evidenced by an endorsement satisfactory to Beneficiary issued by Trustee) against the Property by reason of the work, or proof satisfactory to Beneficiary has been submitted that all costs of the work have been paid; and

(B) Trustor's architect will certify that all required work is completed and is proper and of a quality and class of the original work required by the original plans and specifications and in accordance with the approved plans and specifications.

If the insurance proceeds exceed the costs of completing the work, the excess insurance proceeds will belong and be retained by or be paid over to Beneficiary to be applied against the Indebtedness. If the costs of completing the work exceed the insurance proceeds, Trustor will pay the balance of the costs of completing the work within thirty (30) days after the completion.

5.2. Condemnation.

Trustor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion of it, will notify Trustee and Beneficiary of the pendency of the proceedings. Trustee and Beneficiary may participate in any proceedings and Trustor from time to time will deliver to Beneficiary all instruments requested by Beneficiary to permit participation. If there are condemnation proceedings, the award or compensation payable is assigned to and will be paid to Beneficiary. Beneficiary will be under no obligation to question the amount of any award or compensation and may accept it in the amount in which it is paid. In any condemnation proceedings, Beneficiary may be represented by counsel selected by Beneficiary. The proceeds of any award or compensation received will, at the option of Beneficiary, either be applied, without premium, to the prepayment of the Note or be paid over to Trustor for restoration of the Improvements in accordance with the provisions of this Deed of Trust.

ARTICLE 6.
EVENTS OF DEFAULT AND REMEDIES OF BENEFICIARY

6.1 Events of Default.

(a) The following events are each an Event of Default:

(i) Default in the payment of any sum of principal or interest when due under the Note or any other sum due under the Loan Documents.

(ii) The failure (without cure during the applicable period, if any, for cure) of any party to this loan

("Loan Party") to observe, perform, or discharge any obligation, term, covenant, or condition of Loan Documents, any agreement relating to the Property, or any agreement or instrument between any Loan Party and Beneficiary.

(iii) The entry of an order for relief under federal bankruptcy laws as to Trustor or the adjudication of Trustor as insolvent or bankrupt pursuant to the provisions of any state insolvency or bankruptcy act; the commencement by Trustor of any case, proceeding, or other action seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or other relief for debtors; Trustor's consent to, acquiescence in, or attempt to secure the appointment of, any Receiver of all or any substantial part of its properties or of the Property; Trustor's generally not paying its debts as they become due or admitting in writing its inability to pay its debts or making a general assignment for the benefit of creditors; or Trustor's taking of any action to authorize any of the acts set forth above in this section.

(iv) Any case, proceeding, or other action against Trustor is commenced, seeking to have an order for relief entered against it as a debtor or seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation relating to bankruptcy, insolvency, reorganization, or other relief for debtors, or seeking appointment of any Receiver for Trustor or for all or any substantial part of its property or for the Property, and that case, proceeding, or other action:

(A) results in the entry of an order for relief against it that is not fully stayed within seven business days after the entry, or

(B) remains undismissed for an aggregate of thirty (30) days (whether or not consecutive); or the possibility that any portion of the Property would, by operation of law or otherwise, devolve on or pass to any Person other than Trustor and that situation continues and is not remedied by Trustor within thirty (30) days after the happening of the event.

(v) The assignment by Trustor, as lessor or sublessor, as the case may be, of the rents or the income of the Property or any part of it (other than to Beneficiary) without first obtaining the written consent of Beneficiary.

(vi) The filing of any claim or lien against the Property or any part of it, except for those liens to which Beneficiary has specifically agreed to subordinate to as specified in Section 4.1, and the continued maintenance of the claim or lien for a period of thirty (30) days without discharge, satisfaction, or adequate bonding in accordance with the terms of this Deed of Trust;

(vii) Default under any agreement to which Trustor is a party, which agreement relates to the borrowing of money by Trustor from any Person.

(viii) Any representation or warranty made by any Loan Party or any other Person under this Deed of Trust or in, under, or pursuant to the Loan Documents, is false or misleading in any material respect as of the date on which the representation or warranty was made.

(ix) Any of the Loan Documents, at any time after their respective execution and delivery and for any reason, cease to be in full force or are declared null and void, or the validity or enforceability is contested by any Loan Party or any stockholder or partner of any Loan Party, or any Loan Party denies that it has any or further liability or obligation under any of the Loan Documents to which it is a party.

(x) Any of the Security Documents, at any time after their respective execution and delivery and for any reason, cease to constitute valid and subsisting liens or valid and perfected security interests in and to the property purported to be subject to any of the Security Documents;

(xi) Any representation made by any Loan Party in the Certification Agreement is false or misleading in any material respect as of the date made, or any breach or default in any of Trustor's obligations under the Certification Agreement;

(xii) The occurrence of any material adverse change in the business or properties or condition (financial or otherwise) of Trustor or the condition or operation of the Property.

(b) If one or more Event of Default occurs and is continuing, then Beneficiary may declare all the Indebtedness to be due and the Indebtedness will become due without any further presentment, demand, protest, or notice of any kind, and Beneficiary may:

(i) in person, by agent, or by a receiver, and without regard to the adequacy of security, the solvency of Trustor, or the existence of waste, enter on and take possession of the Property or any part of it in its own name or in the name of Trustee, sue for or otherwise collect the rents, issues, and profits, and apply them, less costs and expenses of operation and collection, including reasonable attorney fees, upon the Indebtedness, all in any order that Beneficiary may determine. The entering on and taking possession of the Property, the collection of rents, issues, and profits, and the application of them will not cure or waive any default or notice of default or

invalidate any act done pursuant to the notice;

(ii) commence an action to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages of real property;

(iii) deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Property to be sold, which notice Trustee or Beneficiary will cause to be filed for record;

(iv) with respect to any Personalty, proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect of the Property, or proceed to sell the Personalty separately and without regard to the Property in accordance with Beneficiary's rights and remedies; or

(v) exercise any of these remedies in combination or any other remedy at law or in equity.

6.2 Power of Sale.

(a) If Beneficiary elects to foreclose by exercise of the power of sale in this Deed of Trust, Beneficiary will also deposit with Trustee this Deed of Trust, the Note, and any receipts and evidence of expenditures made and secured as Trustee may require. If notice of default has been given as then required by law, and after lapse of the time that may then be required by law, after recordation of the notice of default, Trustee, without demand on Trustor, will, after notice of sale having been given as required by law, sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels as Trustee determines, and in any order that it may determine, at public auction to the highest bidder. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time after that may postpone the sale by public announcement at the time fixed by the preceding postponement, and without further notice make the sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Beneficiary may rescind any notice of default at any time before Trustee's sale by executing a notice of rescission and recording it. The recordation of the notice will constitute a cancellation of any prior declaration of default and demand for sale and of any acceleration of maturity of Indebtedness affected by any prior declaration or notice of default. The exercise by Beneficiary of the right of rescission will not constitute a waiver of any default then existing or subsequently occurring, or impair the right of Beneficiary to execute other declarations of default and demand for sale, or notices of default and of election to cause the Property to be sold, nor otherwise affect the Note or this Deed of Trust, or any of the rights, obligations, or remedies of Beneficiary or Trustee. After sale, Trustee will deliver to the purchaser its deed conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts will be conclusive proof of their truthfulness. Any Person, including Trustor, Trustee, or Beneficiary, may purchase at that sale. If allowed by law, Beneficiary, if it is the purchaser, may turn in the Note at the amount owing on it toward payment of the purchase price (or for endorsement of the purchase price as a payment on the Note if the amount owing exceeds the purchase price). Trustor expressly waives any right of redemption after sale that Trustor may have at the time of sale or that may apply to the sale.

(b) Trustee, upon the sale, will make (without any covenant or warranty, express or implied), execute and, after due payment made, deliver to a purchaser and its heirs or assigns a deed or other record of interest, as the case may be, to the Property sold, which will convey to the purchaser all the title and interest of Trustor in the Property and will apply the proceeds of the sale in payment:

(i) first, of the expenses of the sale together with the expenses of the trust, including, without limitation, attorney fees, that will become due on any default made by Trustor, and also any sums that Trustee or Beneficiary have paid for procuring a search of the title to the Property subsequent to the execution of this Deed of Trust; and

(ii) second, in payment of the Indebtedness then remaining unpaid, and the amount of all other monies with interest in this Deed of Trust agreed or provided to be paid by Trustor.

Trustee will pay the balance or surplus of the proceeds of sale to Trustor and its successors or assigns as its interests may appear.

6.3. Proof of Default.

If there is a sale of the Property, or any part of it, and the execution of a deed for it, the recital of default and of recording notice of breach and election of sale, and of the elapsing of the required time between the recording and the following notice, and of the giving of notice of sale, and of a demand by Beneficiary that the sale should be made, will be conclusive proof of the default, recording, election, elapsing of time, and the due giving of notice, and that the sale was regularly and validly made on proper demand by Beneficiary. Any deed with these recitals will be effectual and

conclusive against Trustor, its successors, and assigns, and all other Persons. The receipt for the purchase money recited or in any deed executed to the purchaser will be sufficient discharge to the purchaser from all obligations to see to the proper application of the purchase money.

6.4 Protection of Security.

If an Event of Default occurs and is continuing, Beneficiary or Trustee, without limitation to do so, without notice to or demand upon Trustor, and without releasing Trustor from any obligations or defaults may:

(a) enter on the Property in any manner and to any extent that either deems necessary to protect the security of this Deed of Trust;

(b) appear in and defend any action or proceeding purporting to affect, in any manner, the Obligations or the Indebtedness, the security of this Deed of Trust, or the rights or powers of Beneficiary or Trustee;

(c) pay, purchase, or compromise any encumbrance, charge, or lien that in the judgment of Beneficiary or Trustee is prior or superior to this Deed of Trust; and

(d) pay necessary expenses, employ counsel, and pay reasonable attorney fees.

Trustor agrees to repay on demand all sums expended by Trustee or Beneficiary pursuant to this section with interest at the Default Rate, and those sums, with interest, will be secured by this Deed of Trust.

6.5. Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of strict right and without notice to Trustor or anyone claiming under Trustor and without regard to the then value of the Property, will have the right to apply *ex parte* to any court having jurisdiction to appoint a Receiver of the Property, and Trustor waives notice of any application for that, provided a hearing to confirm the appointment with notice to Trustor is set within fourteen (14) days after the appointment. Any Receiver will have all the powers and duties of receivers in similar cases and all the powers and duties of Beneficiary in case of entry as provided in this Deed of Trust, and will continue as such and exercise all those powers until the date of confirmation of sale, unless the receivership is terminated sooner.

6.6. Curing the Defaults.

If Trustor at any time fails to perform or comply with any of the terms, covenants, and conditions required on Trustor's part to be performed and complied with under this Deed of Trust, the Note, any of the other Loan Documents, or any other agreement that, under the terms of this Deed of Trust, Trustor is required to perform, then Beneficiary, after seven (7) Business Days' notice to Trustor (or without notice if Beneficiary determines that an emergency exists), and without waiving or releasing Trustor from any of the Obligations, may, subject to the provisions of any of the agreements:

(a) make from its own funds any payments payable by Trustor and take out, pay for, and maintain any of the insurance policies provided for; and

(b) perform any other acts on the part of Trustor to be performed and enter on the Property for that purpose.

The making by Beneficiary of payments out of Beneficiary's own funds will not, however, be deemed to cure the default by Trustor, and they will not be cured unless and until Trustor reimburses Beneficiary for the payments. All sums paid and all reasonable costs and expenses incurred by Beneficiary in connection with the performance of any act, together with interest on unpaid balances at the Default Rate from the respective dates of Beneficiary's making of each payment, will be added to the principal of the Indebtedness, will be secured by the Security Documents and by the lien of this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

6.7 Remedies Cumulative.

All remedies of Beneficiary provided for in this Deed of Trust are cumulative and will be in addition to all other rights and remedies provided in the other Loan Documents or provided by law, including any banker's lien and right of offset. The exercise of any right or remedy by Beneficiary will not in any way constitute a cure or waiver of default, will not invalidate any act done pursuant to any notice of default, nor will it prejudice Beneficiary in the exercise of any of its rights unless, in the exercise of those rights, Beneficiary collects the total amount of the Indebtedness.

ARTICLE 7.
SECURITY AGREEMENT

7.1 Grant of Security Interest.

Trustor also grants to Beneficiary a security interest in all of Trustor's right, title, and interest now owned or later acquired to the following property (collectively, "Collateral") now or later affixed to or located on the Property, or used in connection with the operation of the Property or the Improvements and all the proceeds of that property: the Personalty; the Fixtures; all machinery, equipment, engines, appliances, and fixtures for generating or distributing air, water, heat, electricity, light, fuel, or refrigeration, or for ventilating or sanitary purposes, or for the exclusion of vermin or insects, or for the removal of dust, refuse, or garbage; all fire hoses and brackets and boxes for them, fire sprinklers, alarm systems, linoleum, carpets and carpeting, plumbing, bathtubs, sinks, basins, pipes, faucets, water closets, laundry equipment, washers, dryers, refrigerators, heating units, stoves, ovens, ranges, dishwashers, disposals, water heaters, incinerators, furniture, fixtures, and furnishings; all building materials, supplies, and equipment now or later delivered to the Property; all security and cleaning deposits collected from any tenants or lessees of any part of the Property; and, subject to the other provisions of this Deed of Trust, all proceeds of any fire and builders' risk insurance policy, or of any policy insuring the Property (and the contents of the Improvements) against any other perils, all awards made in eminent domain proceedings, or purchased in lieu of that, made with respect to the Property, and any compensation, award, payment, or relief given by any governmental agency or other source because of damage to the Property resulting from earthquake, flood, windstorm, or any emergency or any other event or circumstance. The specific enumerations in this Deed of Trust do not exclude the general.

The security interest also includes all additions to, substitutions for, changes in, or replacements of the whole or any part of these articles of property, together with all contract rights of Trustor in construction contracts, bonds, agreements for purchase and sale of the Property, all policies of insurance arising out of the improvement or ownership of the Property, and all accounts, contract rights, chattel paper, instruments, general intangibles, and other obligations of any kind now or later existing, arising out of, or in connection with the operation or development of the Property. The security interest also includes all rights now or later existing in all security agreements, leases, and other contracts securing or otherwise relating to any accounts, contract rights, chattel paper, instruments, general intangibles, or obligations; all causes of action and recoveries now or later existing for any loss or diminution in value of the Property; all proceeds of any of the Collateral; and, to the extent not otherwise included, all payments under insurance (whether Beneficiary is the loss payee), or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Collateral.

7.2. Remedies.

This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is granted a security interest. Beneficiary has all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor agrees to execute and deliver on demand, and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to execute, deliver, and file, any security agreements, financing statements, continuation statements, or other instruments that Beneficiary may request to impose, perfect, or continue the perfection of the lien or security interest created by this Deed of Trust. On the occurrence of any Event of Default (taking into account any applicable period of grace or cure), Beneficiary will have the right to sell at any public or private sales as permitted by applicable law any of the Collateral that is personal property. Beneficiary will also have any other rights and remedies, whether at law, in equity, or by statute that are available to secured creditors. Any disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any Person, including both Trustor and Beneficiary, will be eligible to purchase any part or all of the Collateral at any disposition.

7.3 Expenses.

Expenses of retaking, holding, and preparing for sale, selling, or the like will be borne by Trustor and will include Beneficiary's and Trustee's attorney fees and legal expenses. Trustor, on demand of Beneficiary, will assemble the Collateral and make it available to Beneficiary at the Property, a place deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary will give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time of or after which any private sale or any other intended disposition is to be made. If the notice is sent to Trustor in the manner provided for the mailing of notices in this Deed of Trust, it is deemed reasonable notice to Trustor.

7.4 Fixture Filing.

(a) This Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to all Fixtures included within the term Property as used in this Deed of Trust and with respect to any goods, Collateral, or other personal property that may now be or later become fixtures.

(b) It is understood and agreed that, to protect Beneficiary against the effect of Uniform Commercial Code 9313, if any fixture owned by Trustor on the Property, or any part of any fixture, is replaced or added to, or any new fixture owned by Trustor is installed by Trustor, and in each case the fixture has a cost or fair market value in excess of Five Thousand Dollars ($5,000.00), and the fixture is or may be subject to a security interest held by a seller or any other party, the following will apply:

(i) Trustor or any owner of all or any part of the Property will, before the replacement, addition, or installation of any fixture, obtain the prior written approval of Beneficiary, and give Beneficiary written notice that a security agreement with respect to the fixture has been or will be consummated, and the notice will contain the following information:

(A) a description of the fixtures to be replaced, added to, installed, or substituted;

(B) a recital of the location at which the fixtures will be replaced, added to, installed, or substituted;

(C) a statement of the name and address of the holder and amount of the security interest; and

(D) the date of the purchase of the fixtures.

Neither this subsection nor any consent by Beneficiary pursuant to this subsection will constitute an agreement to subordinate any right of Beneficiary in fixtures or other property covered by this Deed of Trust.

(ii) Beneficiary may at any time pay the balance due under the security agreement and the amount paid will be:

(A) secured by this Deed of Trust and will be a lien on the Property, enjoying the same priorities as this Deed of Trust,

(B) added to the amount of the Note or other obligation secured by this Deed of Trust, and

(C) payable on demand with interest at the Default Rate from the time of the payment; and if Trustor is in default for ten (10) days after demand, the entire principal sum secured with all unpaid interest will, at the Beneficiary's option, become immediately due, regardless of any contrary provision in this Deed of Trust or the Note; or Beneficiary will have the privilege of acquiring by assignment from the holder of the security interest any contract rights, accounts receivable, chattel paper, negotiable or nonnegotiable instruments, or other evidence of Trustor's Indebtedness for the fixtures, and, on acquiring these interests by assignment, will have the right to enforce the security interest as an assignee, in accordance with the California Uniform Commercial Code and other applicable law.

(iii) Whether Beneficiary has paid or taken an assignment of the security interest, if at any time Trustor is in default for a period of ten (10) days under the security agreement covering the fixtures, that default will be considered a material breach of Trustor's covenants under this Deed of Trust, and will, at Beneficiary's option, constitute a default under this Deed of Trust, and the principal sum secured will, at Beneficiary's option, become immediately due.

(iv) The provisions of subsections (ii) and (iii) above will not apply if the goods that may become fixtures are of at least equivalent value and quality as any property being replaced and if the rights of the party holding the security interest have been expressly subordinated, at no cost to Beneficiary, to the lien of this Deed of Trust in a manner satisfactory to Beneficiary, including, without limitation, at Beneficiary's option, providing to Beneficiary a satisfactory opinion of counsel that this Deed of Trust constitutes a valid and subsisting first lien on the fixtures that is not subordinate to the lien of the security interest under any applicable law, including, without limitation, the provisions of Uniform Commercial Code 9313.

7.5 Assignment of Agreements.

(a) As partial security for the Loan, Trustor sells, assigns, transfers, sets over, and delivers to Beneficiary all of Trustor's right, title, and interest in all agreements, permits, and contracts pertaining to the use or operation of the Property, including, but not limited to, environmental impact reports; negative declarations; map approvals; grading and construction permits; conditional use permits; applications for all permits; management agreements; all development rights in the Property that Trustor may now or later acquire (including, without limitation, development rights arising in connection with any action by a governmental entity, including, by way of illustration, but not of limitation, inducement resolutions of county, municipal, or other governmental entities); agreements with contractors, suppliers, and construction managers; and agreements pertaining to the transfer of development rights or permitted floor area under applicable laws or ordinances (collectively, "Agreements"), as they may be amended or otherwise modified from time to

time, including, without limitation, the right of Trustor to terminate any of the Agreements, to perform under them, and to compel performance and otherwise exercise all remedies under them, together with the immediate and continuing right to collect and receive all sums that may become due to Trustor, or which Trustor may now or later become entitled to demand or claim, arising or issuing out of the Agreements, including, without limitation, claims of Trustor for damages arising out of breach of or default under any of the Agreements and all rights of Trustor to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to any of the Agreements. However, so long as no Event of Default has occurred and is continuing, Trustor will have the right under a license granted to collect and retain all sums that may become payable to Trustor under the Agreements.

(b) Trustor covenants and agrees to punctually observe, perform, and discharge the obligations, terms, covenants, conditions, and warranties to be observed, performed, and discharged by it under the Agreements. Beneficiary, upon an Event of Default, at its option and upon written notice to Trustor, will have the right to declare the assignment in this Article to be absolute, and, in addition, Beneficiary will have the complete right then or later to exercise and enforce all of the rights and remedies provided by law.

(c) The acceptance by Beneficiary of the assignment in this Article, with all the rights, powers, privileges, and authority granted will not, prior to the exercise of Beneficiary's right to declare the assignment in this Article to be absolute, obligate Beneficiary to assume any obligations under the Agreements or to take any action under them, or to expend any money or incur any expense or perform or discharge any obligation, duty, or liability under the Agreements, or to assume any obligation or responsibility for the nonperformance of the provisions by Trustor.

ARTICLE 8.
ASSIGNMENT OF LEASES AND RENTS

8.1 Assignment.

Trustor irrevocably assigns to Beneficiary

(a) all of Trustor's right, title, and interest in all leases; licenses; agreements relating to the management, leasing, or operation of the Property; and other agreements of any kind relating to the use or occupancy of the Property, whether now existing or entered into after the date of this Deed of Trust ("Leases"), and

(b) the rents, issues, and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("Payments"), for the purposes and on the terms and conditions below.

The term Leases will also include all guarantees of and security for the lessees' performance, and all amendments, extensions, renewals, or modifications that are permitted. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent on, and may be exercised without, possession of the Property.

8.2 License.

Beneficiary confers on Trustor a license ("License") to collect and retain the Payments as they become due until the occurrence of an Event of Default. Upon an Event of Default, the License will be automatically revoked and Beneficiary may collect and retain the Payments without notice and without taking possession of the Property. Trustor irrevocably authorizes and directs the lessees under the Leases to rely on and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums that may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases. The lessees will have no right or duty to inquire as to whether any Default has actually occurred or is then existing. Trustor relieves the lessees from any liability to Trustor by reason of relying on and complying with any notice or demand by Beneficiary.

8.3 Effect of Assignment.

The assignment will not impose on Beneficiary any duty to produce rents, issues, or profits from the Property, or cause Beneficiary to be:

(a) a mortgagee-in-possession for any purpose;

(b) responsible for performing any of the obligations of the lessor under any of the Leases; or

(c) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property.

Beneficiary will not be liable to Trustor or any other party as a consequence of the exercise of the rights granted to

Beneficiary under this assignment or the failure of Beneficiary to perform any obligation of Trustor arising under the Leases.

8.4 Leasing Covenants.

Trustor covenants and agrees as follows:

(a) At Trustor's sole cost to:

(i) perform all obligations of the lessor under the Leases and enforce performance by the lessees of their obligations under the Leases;

(ii) enforce all remedies available to Trustor in case of default by the lessees under any of the Leases and prosecute and defend any action, arbitration, or other controversy relating to any of the Leases or to Trustor's interest in any of the Leases;

(iii) give Beneficiary prompt notice of any default that occurs under any of the Leases, whether by the lessees or Trustor;

(iv) promptly upon execution, deliver to Beneficiary fully executed counterpart originals of the Leases; and

(b) except with Beneficiary's prior written consent, not to:

(i) execute any other assignment relating to any of the Leases or the Payments;

(ii) subordinate any of the Leases to any other deed of trust or encumbrance.

Any attempted action in violation of the provisions of Section 8.4(b) will be voidable at Beneficiary's election.

8.5. Application of Rents.

Beneficiary, in its sole discretion, may apply, or require the application of, all amounts received pursuant to the assignment to the payment of any one or more of the Obligations in any order that Beneficiary may elect.

8.6. Estoppel Certificates.

Within twenty (20) days after request by Beneficiary, Trustor will deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates executed by Trustor and by each of the lessees, in recordable form, certifying:

(a) that the assignment and the Leases are in full force;

(b) the date of each lessee's most recent payment of rent;

(c) that there are no defenses or offsets outstanding, or stating those claimed by Trustor or lessees under the assignment or the Leases; and

(d) any other information reasonably requested by Beneficiary.

8.7 Remedies.

In addition to any other remedies in this Deed of Trust, Beneficiary will have the following rights and remedies upon the occurrence of an Event of Default:

(a) To receive the Payments and any other amounts arising or accruing under the Leases or from the Property;

(b) To collect, sue for, settle, compromise, and give releases for the Payments and pursue any remedies for the enforcement of the Leases or Trustor's rights under the Leases; and

(c) To take possession of the Property, and hold, manage, lease, and operate it on any terms and for any period of time that Beneficiary may deem proper and, either with or without taking possession of the Property, in its own name, make from time to time all alterations, renovations, repairs, or replacements that Beneficiary may deem proper.

8.8 Definitions.

The terms lessor and lessors as used in this Deed of Trust will include all owners, landlords, licensors, and other parties in a similar position with respect to the Leases. The terms lessee and lessees will include any tenants and licensees and any other parties in a similar position and will also include any guarantors of or other obligors under the Leases.

ARTICLE 9.
MISCELLANEOUS

9.1 Successor Trustee.

Beneficiary may remove Trustee or any successor trustee at any time and appoint a successor trustee by

recording a written substitution in the county where the Property is located, or in any other manner permitted by law. Upon that appointment, all of the powers, rights, and authority of Trustee will immediately become vested in the successor.

9.2 Change of Law.

If any law is passed, after the date of this Deed of Trust, that deducts from the value of the Property, for the purposes of taxation, any lien on it, or changes in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured by mortgage or deed of trust (other than laws imposing taxes on income) or the manner of the collection of any taxes so as to affect adversely the rights of Beneficiary as holder of the Note and Beneficiary under this Deed of Trust, the Indebtedness will become due at Beneficiary's option, exercised by thirty (30) days' notice to Trustor unless Trustor, within that thirty (30) day period, if permitted by law, assumes the payment of any tax or other charge imposed on Beneficiary for the period remaining until full payment by Trustor of the Indebtedness.

9.3 No Waiver.

No waiver by Beneficiary of any default or breach by Trustor will be implied from any omission by Beneficiary to take action on account of that default if the default persists or is repeated. Also, no express waiver will affect any default other than the default in the waiver and the waiver will be operative only for the time and to the extent stated. Waivers of any covenant, term, or condition in this Deed of Trust will not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by Beneficiary for any act by Trustor requiring further consent or approval will not be deemed to waive or render unnecessary the consent or approval for any subsequent similar act.

9.4 Abandonment.

Subject to any chattel mortgages, security agreements, or other liens on title that may exist with the consent of Beneficiary, or any provided for in this Deed of Trust, all Personalty that upon foreclosure of the Property is owned by Trustor and is used in connection with the operation of the Property will be deemed at Beneficiary's option to have become on that date a part of the Property and abandoned to Beneficiary in its then condition.

9.5 Survival.

The covenants and agreements in this Deed of Trust will bind and inure to the benefit of Beneficiary and Trustor and their successors and assigns. It is agreed that Beneficiary may assign to or grant a participation in any one or more lenders, free from any right of counterclaim, recoupment, or setoff by Trustor, Beneficiary's rights and obligations in whole or in part under the Loan Documents. Nothing in this Article 11.6 is intended to limit other provisions in the Loan Documents that by their terms survive the repayment of the Indebtedness or the termination of any Loan Document.

9.6 Severability.

If any term, provision, covenant, or condition of this Deed of Trust or any application of it is held by a court of competent jurisdiction to be invalid, void, or unenforceable, in whole or in part, all terms, provisions, covenants, and conditions of this Deed of Trust and all applications of it not held invalid, void, or unenforceable will continue in full force and will not be affected, impaired, or invalidated.

9.7 References to Foreclosure.

References in this Deed of Trust to foreclosure and related phrases are references to the appropriate procedure in connection with Trustee's private power of sale, any judicial foreclosure proceeding, and any deed given in lieu of foreclosure.

9.8 Joinder of Foreclosure.

If Beneficiary holds any other or additional security for the payment of any Indebtedness or performance of any Obligation, its sale or foreclosure, on any default in the payment or performance, in Beneficiary's sole discretion, may be prior to, subsequent to, or joined or otherwise contemporaneous with any sale or foreclosure. In addition to the rights in this Deed of Trust specifically conferred, Beneficiary, at any time and from time to time, may exercise any right or remedy now or later given by law to beneficiaries under deeds of trust generally, or to the holders of any obligations of the kind secured.

9.9 Rights of Beneficiary and Trustee.

At any time and from time to time, without liability and without notice, and without releasing or otherwise affecting the liability of any person for payment of any Indebtedness,

(a) Beneficiary, at its sole discretion and only in writing, may extend the time for or release any Person now or later liable for payment of any Indebtedness, or accept or release additional security, or subordinate the lien or charge of this Deed of Trust, or

(b) Trustee, on written request of Beneficiary and presentation of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust for endorsement, may reconvey any part of the Property, consent to the making of any map or plat of it, join in granting any easement on it, or join in any agreement of extension or subordination.

On Beneficiary's written request and surrender of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust to Trustee for cancellation, and on payment to Trustee of its fees and expenses, Trustee will reconvey without warranty the then trust property. The recitals in any reconveyance will be conclusive proof of the truthfulness of them, and the grantee in any reconveyance may be described as the person legally entitled.

9.10 Copies.

Trustor will promptly give to Beneficiary copies of all

(a) notices of violation that Trustor receives from any governmental agency or authority; and

(b) notices of default that Trustor receives under any agreement relating to the borrowing of money by Trustor from any Person.

9.11 Subordination.

In addition to the subordination authorized in Section 4.1, at the option of Beneficiary, this Deed of Trust will become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to any insurance proceeds, damages, awards, or compensation resulting from damage to the Property or condemnation or exercise of power of eminent domain), to any contracts of sale or any leases of the Property on the execution by Beneficiary and recording of a unilateral declaration to that effect in the official records of the county and state where the Property is located. Beneficiary may require the issuance of any title insurance endorsements to the Title Policy in connection with any subordination that Beneficiary, in its judgment, determines are appropriate, and Trustor will be obligated to pay any cost or expense incurred in connection with the issuance.

9.12 No Merger.

So long as any of the Indebtedness remains unpaid or Beneficiary has any further obligation under the Loan Documents, unless Beneficiary otherwise consents in writing, the fee estate of Trustor in the Property or any part of it will not merge, by operation of law or otherwise, with any leasehold or other estate in the Property or any part of it, but will always be kept separate and distinct, regardless of the union of the fee estate and the leasehold or other estate in Trustor or any other Person.

9.13. Performance by Trustor.

Trustor will faithfully perform every covenant to be performed by Trustor under any lien or encumbrance, including, without limiting the generality of this Deed of Trust, mortgages, deeds of trust, leases, declarations or covenants, conditions and restrictions, and other agreements that affect the Property, in law or in equity, that Beneficiary reasonably believes may be prior and superior to or on a parity with the lien or charge of this Deed of Trust. A breach of or a default under any lien or encumbrance that exists after any applicable grace period in the pertinent instrument has expired without that breach or default having been cured, will constitute an Event of Default under this Deed of Trust. If Trustor fails to do so, Beneficiary, without demand or notice and in its sole judgment, may do any things required by Trustor by any of the provisions in this Deed of Trust and incur and pay expenses in connection with that.

9.14 Personalty Security Instruments.

Trustor agrees that if Beneficiary at any time holds additional security for any obligations secured by this Deed of Trust, it may enforce the terms of it or otherwise realize on it, at its option, either before or concurrently or after a sale is made under this Deed of Trust, and may apply the proceeds on the Indebtedness secured without affecting the status or waiving any right to exhaust any other security, including the security under this Deed of Trust, and without waiving any breach or default or any right or power, whether exercised under this Deed of Trust or in any other security.

9.15 Suits to Protect Property.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the security of this Deed of

Trust or any additional or other security for the obligations secured, the interest of Beneficiary or the rights, powers, or duties of Trustee, and to pay all costs and expenses, including, without limitation, cost of evidence of title and attorney fees, in any action or proceeding in which Beneficiary or Trustee may appear or be made a party, including, but not limited to, foreclosure or other proceeding commenced by those claiming a right to any part of the Property under subordinate liens, in any action to partition or condemn all or part of the Property, whether pursued to final judgment, and in any exercise of the power of sale in this Deed of Trust, whether the sale is actually consummated.

9.16 Further Advances.

On the request of Trustor or its permitted successors in ownership of the Property, Beneficiary may, at its option, at any time before full payment of the Indebtedness, make further advances to Trustor or the successors in ownership, with interest and late charges to be secured by this Deed of Trust. However, the amount of principal secured by this Deed of Trust and remaining unpaid will not at the time of and including any advance exceed the original principal sum secured. Also, if Beneficiary, at its option, makes a further advance or advances, Trustor or the successors in ownership agree to execute and deliver to Beneficiary a note, payable on or before the maturity of the Indebtedness secured and bearing any other terms that Beneficiary will require.

9.17 Waiver of Statute of Limitations.

The pleading of any statute of limitations as a defense to any obligations secured by this Deed of Trust is waived, to the fullest extent permissible by law.

9.18 Charges for Statements.

Trustor agrees to pay Beneficiary's reasonable charge, to the maximum amount permitted by law, for any statement regarding the obligations secured by this Deed of Trust requested by Trustor or on its behalf.

9.19 Entire Agreement.

This Deed of Trust and the other Loan Documents set forth the entire understanding between Trustor and Beneficiary and they will not be amended except by a written instrument duly executed by each of Trustor and Beneficiary. Any previous representations, warranties, agreements, and understandings among the parties regarding the subject matter of the Loan or the Loan Documents, whether written or oral, are superseded by this Deed of Trust and the other Loan Documents.

9.20 Incorporation.

All terms of the Loan Documents are incorporated in this Deed of Trust by this reference. All persons who may have or acquire an interest in the Property will be deemed to have notice of the terms of the Loan Documents and to have notice, if provided for, that the rate of interest on one or more Obligations may vary from time to time.

9.21. Waiver of Marshaling Rights.

Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property, waives all rights to have the Property or any other property that is now or later may be security for any Obligation ("Other Property") marshaled on any foreclosure of this Deed of Trust or on a foreclosure of any other security for any of the Obligations. Beneficiary will have the right to sell, and any court in which foreclosure proceedings may be brought will have the right to order a sale of, the Property and any of the Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

9.22 Acceptance of Trust; Powers and Duties of Trustee.

Trustee accepts this trust when this Deed of Trust is recorded. From time to time on written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or the performance of any obligations, Trustee may, without liability and without notice:

(a) reconvey all or any part of the Property;

(b) consent to the making of any map or plat; and

(c) join in any grant of easement, any declaration of covenants, conditions, and restrictions, any extension agreement, or any agreement subordinating the lien or charge of this Deed of Trust.

Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust and the enforcement of the rights and remedies available, and may obtain orders or decrees directing, confirming, or approving acts in the execution of the trust and the

enforcement of the remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding, including, without limitation, actions in which Trustor, Beneficiary, or Trustee will be a party, unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee will not be obligated to perform any act required of it under this Deed of Trust unless the performance of the act is requested in writing and Trustee is reasonably indemnified and held harmless against any loss, cost, liability, or expense.

9.23 Releases, Extensions, Modifications, and Additional Security.

Without notice to or the consent, approval, or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Obligation; take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Obligation; or accept additional security or release the Property or other security for any Obligation. None of these actions will release or reduce the personal liability of any of the Interested Parties, or release or impair the lien of this Deed of Trust, or the priority of it on the Property. However, no action taken or agreement made by Beneficiary to extend the maturity or otherwise alter the terms or increase the amount of any Obligation will be binding on Trustor without Trustor's consent.

9.24 Reconveyance.

Upon the payment and performance of all Obligations, including, without limitation, Beneficiary's receipt of all sums owing and outstanding under the Note, Beneficiary will deliver to Trustee a written request for reconveyance, and will surrender to Trustee for cancellation this Deed of Trust and any note or instrument evidencing the Obligations. However, Beneficiary will have no obligation to deliver the written request and documents until Beneficiary has been paid by Trustor, in immediately available funds, all escrow, closing, and recording costs, the costs of preparing and issuing the reconveyance, and any trustee's or reconveyance fees. On Trustee's receipt of the written request by Beneficiary and the documents, Trustee will reconvey, without warranty, the Property or that portion then held. To the extent permitted by law, the reconveyance may describe the grantee as the person or persons legally entitled and the recitals of any matters or facts in any reconveyance will be conclusive proof of the truthfulness of them. Neither Beneficiary nor Trustee will have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last reconveyance will operate as a reassignment of all future rents, issues, and profits of the Property to the person legally entitled.

9.25 Obligations of Trustor, Joint and Several.

If more than one person has executed this Deed of Trust as Trustor, the obligations of all those persons will be joint and several.

9.26 Rules Of Construction.

When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural.

9.27 Successors in Interest.

The terms, covenants, and conditions in this Deed of Trust will be binding on and inure to the benefit of the heirs, successors, and assigns of the parties.

9.28 No Offset.

Trustor will pay to Beneficiary all amounts owing under the Note, this Deed of Trust, or any of the other Obligations without deduction, offset, or counterclaim of any kind.

9. 29 Governing Law.

The parties expressly agree that this Deed of Trust (including, without limitation, all questions regarding permissive rates of interest) will be governed by or construed in accordance with the laws of California and federal law, where applicable.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

Resident Owned Parks, Inc., a California non profit public benefit corporation:

By: _____
Maurice A. Priest, President

ACKNOWLEDGMENT

State of California)
County of Sacramento)

On 9/30/10 before me Pamela Reed Thomas, Notary Public personally appeared Maurice A. Priest, 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 Pamela Reed Thomas

PAMELA REED THOMAS
COMM. # 1858469
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
COMM. EXPIRES JULY 20, 2013

(Seal)

Exhibit A

LEGAL DESCRIPTION

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

REQUEST FOR FULL RECONVEYANCE

TO _____, TRUSTEE Dated: _____, 200__

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

_____ _____

(Signature)

_____ _____

DO NOT LOSE OR DESTROY THE DEED OF TRUST AND NOTE WHICH IT SECURES.
BOTH MUST BE DELIVERED TO THE TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.

2010-28353-20
Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder
ecorded by FIDELITY NATIONAL TITLE CO.
Rec Fee 70.00
Combined Doc 39.00
DA Fraud Fee 3.00
Clerk: MM Total: 112.00
Dec 20, 2010 at 15:06

RECORDING REQUESTED BY:

Arcata Community Development Agency

WHEN RECORDED MAIL TO:
City Clerk
City of Arcata
736 F Street
Arcata, CA 95521

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

THE ARCATA COMMUNITY DEVELOPMENT AGENCY
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOMEPI-MFP-001
SANDPIPER MOBILE HOME PARK

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS is made this 1ST day of OCTOBER, 2010, by Resident Owned Parks Inc, a California nonprofit public benefit corporation, called "Trustor", whose address is **7420 Greenhaven Drive, Suite 125 , Sacramento, CA 95831**, to Fidelity National Title Company, herein called "Trustee", and the Arcata Community Development Agency, herein called "Beneficiary."

WITNESSETH: that Trustor hereby irrevocably grants, transfers and assigns to Trustee, its successors and assigns, in trust, with power of sale, all Trustor's right, title and interest now owned or later acquired in the real property ("Property") located in the City of Arcata, County of Humboldt, State of California, more particularly described in the attached Exhibit A, incorporated by reference (Trustor agrees that any greater title to the Property later acquired during the term of this Deed of Trust will be subject to this Deed of Trust),

TOGETHER WITH all and singular the tenements, hereditaments, rights, rights of way, easements, privileges and appurtenances thereunto belonging, or in anyway appertaining (all as part of the Property hereby conveyed) which shall be deemed to include but not to be limited to (i) all rents, issues, profits, royalties and revenue therefrom, subject, however, to any right, power and authority hereinafter given to and conferred upon Beneficiary to collect the same; (ii) all buildings ("Buildings") and improvements and fixtures (whether or not annexed thereto) now or hereafter used in connection with the Property or the Development thereon.

FOR THE PURPOSE OF SECURING, the following indebtedness (collectively, the "Indebtedness") in the order of priority that Beneficiary determines:

(1) Payment of the indebtedness evidenced by a Note secured by this Deed of Trust (and any renewals or extensions or modifications thereof) (the "Note"), of even date herewith, in the principal sum of **FIVE HUNDRED FOUR THOUSAND EIGHT HUNDRED SIXTY-TWO Dollars ($504,862)** payable to Beneficiary or to order, and all extensions, modifications or renewals of the Note, the final payment on which is due as described in the Note, executed by Trustor and delivered to Beneficiary, together with the interest thereon and late charges as provided by the Note which is made a part hereof by reference;

(2) Payment of the interest on that indebtedness according to the terms of the Note;

(3) Payment of all other sums (with interest as provided in this Deed of Trust) becoming due and payable to Beneficiary or Trustee pursuant to the terms of this Deed of Trust;

(4) performance of every obligation contained in this Deed of Trust, Note, Loan Agreement and Regulatory Agreement (collectively referred to as "Loan Documents"), all of which are fully incorporated herein by reference together with all exhibits and attachments, and are on file at the offices of the Beneficiary, which is located at 736 F Street, Arcata, California 95521, any instrument now or later evidencing or securing any indebtedness secured by this Deed of Trust, and any agreements, supplemental agreements, or other instruments of security executed by Trustor as of

the same date of this Deed of Trust or at any time subsequent to the date of this Deed of Trust for the purpose of further securing any indebtedness secured by this Deed of Trust, or any part of it, or for the purpose of supplementing or amending this Deed of Trust or any instrument secured by this Deed of Trust; and

(5) payment of all other obligations owed by Trustor to Beneficiary that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

ARTICLE 1.
WARRANTY OF TITLE

1.1 Warranty of Title.

Trustor warrants that:

(a) Trustor is the lawful owner of the Property;

(b) Trustor will maintain and preserve the lien of this Deed of Trust until the Indebtedness has been paid in full;

(c) Trustor has good, right, and lawful authority to grant the Property as provided in this Deed of Trust; and

(d) Trustor will forever warrant and defend the grant made in this Deed of Trust against all claims and demands, except as are specifically set forth in this Deed of Trust.

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES

Trustor represents and warrants to Beneficiary that as of the date of this Deed of Trust:

2.1. Organization of the Loan Parties.

(a) Trustor is a nonprofit public benefit corporation organized, validly existing, and in good standing under the laws of the State of California and is qualified to do business in California.

(b) Trustor has the requisite power and authority to own and manage its properties, to carry on its business as now being conducted, and to own, develop, and operate the Property.

(c) Trustor is qualified to do business in every jurisdiction in which the nature of its business or its properties makes qualification necessary.

(d) Trustor is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to it.

2.2. Validity of Loan Documents.

(a) The execution, delivery, and performance by the parties of the Loan Documents and the borrowings evidenced by the Note:

(i) are within the power of the parties;

(ii) have been duly authorized by all requisite corporate or partnership actions, as appropriate;

(iii) have received all necessary governmental approval; and

(iv) will not violate any provision of law, any order of any court or agency of government, the charter documents of any party, or any indenture, agreement, or any other instrument to which any party has entered or by which any party or any of its property is bound, nor will they conflict with, result in a breach of, or constitute (with due notice and lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature on any of the property or assets of any party, except as contemplated by the provisions of the Loan Documents.

(b) Each of the Loan Documents, when executed and delivered to Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

2.3. Financial Statements.

(a) All financial statements and data that have been given to Beneficiary with respect to Trustor:

(i) are complete and correct in all material respects;

(ii) accurately present the financial condition of Trustor on each date as of which they have been furnished, and accurately present the results of the operations of Trustor for the periods for which they have been furnished; and

(iii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered.

(b) All balance sheets and the notes with respect to the Trustor furnished to Beneficiary disclose all liabilities of

Trustor, fixed and contingent, as of their respective dates, as well as all obligations of Trustor under any guaranties.

(c) There has been no material adverse change in the financial condition or operations of Trustor since:

(i) the date of the most recent financial statement given to Beneficiary with respect to Trustor of the Property, or

(ii) the date of the financial statements given to Beneficiary immediately prior to the date of this Deed of Trust, other than changes in the ordinary course of business, none of which constitute a material adverse change, either individually or in the aggregate.

2.4. Use of Proceeds of Loan.

Trustor will use the funds or the Property advanced pursuant to the Note to develop, maintain, and operate the Development.

2.5. Other Arrangements.

Trustor is not a party to any agreement or instrument materially and adversely affecting Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise; and Trustor is not in default in the performance, observance, or fulfillment of any of the material obligations, covenants, or conditions in any agreement or instrument to which Trustor is a party that materially affect Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise.

2.6. Other Information.

All other reports, papers, data, and information given to Beneficiary with respect to Trustor and the Property are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Beneficiary a true and accurate knowledge of the subject matter.

2.7. Litigation.

There is not now pending against or affecting Trustor, nor to the knowledge of Trustor is there threatened, any action, suit, or proceeding at law or in equity or before any administrative agency that, if adversely determined, would materially impair or affect the financial condition or operations of Trustor, or the condition or operation of the Property.

2.8. Taxes.

Trustor has filed all federal, state, county, and municipal income tax returns required to have been filed and has paid all taxes that have become due pursuant to those returns or pursuant to any assessments received by Trustor, and Trustor does not know of any basis for any additional assessment against Trustor in respect of those taxes.

ARTICLE 3.
AFFIRMATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

3.1. Obligations of Trustor.

Trustor will pay the Indebtedness and Trustor will continue to be liable for the payment of the Indebtedness until it has been paid in full. In addition, Trustor

(a) will timely perform all the covenants, agreements, terms, and conditions to be performed by Trustor:

(i) under this Deed of Trust and the Loan Documents;

(ii) as seller under each contract of sale of, and as lessor under each lease of, for any portion of the Property for which a contract of sale or lease has been approved in writing by Beneficiary;

(iii) as required of Trustor under each document and agreement constituting one of the Security Documents;

(iv) under all other agreements between Trustor and Beneficiary in accordance with the respective terms of the agreement; and

(v) as required of Trustor under all other agreements to which Trustor is a party with respect to the Property;

(b) will not cancel, surrender, modify, amend, or permit the cancellation, surrender, modification, or amendment of any of the previously mentioned agreements or any of the covenants, agreements, terms, or conditions contained in any of them without the prior written consent, in each case, of Beneficiary; and

(c) will keep Beneficiary indemnified against all actions, proceedings, costs (including, without limitation,

Beneficiary's counsel fees and disbursements), claims, and damages incurred or sustained by Beneficiary in respect of the nonpayment of any charges or the nonobservance or nonperformance of any of the covenants, agreements, terms, or conditions in any of the previously mentioned agreements.

3.2 Insurance.

(a) Trustor, at its sole cost and expense, will keep the Property insured for the mutual benefit of Trustor and Beneficiary against loss or damage as required in Section 15 of the Regulatory Agreement and Section 2(b) of the Loan Agreement.

(b) Effective on the occurrence of any Event of Default, all of Trustor's right, title, and interest in all policies of property insurance and any unearned premiums paid are assigned to Beneficiary, who may assign them to any purchaser of the Property at any foreclosure sale.

3.3 Imposition; Impounds.

(a) Impositions Affecting the Property. Trustor will pay when due all Impositions that are or that may become a lien on the Property or are assessed against the Property or its rents, royalties, profits, and income.

(b) Taxes Affecting Trustor. Trustor will file all federal, state, provincial, county, and municipal income tax returns required to be filed and will pay all taxes that become due pursuant to the returns or pursuant to any assessments received by Trustor.

(c) Impounds; Impound Account. At the request of Beneficiary, Trustor will pay on a monthly basis to Beneficiary an amount equal to one-twelfth (1/12th) of the annual cost of taxes and assessments on the Property together with premiums; the accumulated funds will be released to Trustor for payment of taxes, assessments, and insurance premiums, or may be directly applied by Beneficiary, if Beneficiary elects.

3.4 Further Assurances.

Trustor, at Trustor's expense and at any time on the reasonable request of Beneficiary, will execute, acknowledge, and deliver any additional papers and instruments (including, without limitation, a declaration of no setoff) and any further assurances of title and will do or cause to be done all further acts and things that may be proper or reasonably necessary to carry out the purpose of this Deed of Trust and of the Loan Documents and to subject to the liens any property intended by the terms to be covered and any renewals, additions, substitutions, replacements, or betterments.

3.5 Indemnity.

(a) If any action or proceeding (whether judicial, regulatory, or administrative) is threatened or commenced, except an action to foreclose this Deed of Trust or to collect the Indebtedness that affects the Property or any portion of it in which Beneficiary is or could be made a party, or in which it becomes necessary to defend or uphold the lien of this Deed of Trust, then all costs, fees, and expenses incurred by Beneficiary with respect to the action or proceeding (including, without limitation, attorney fees and expenses) will, within ten (10) days after the submission of bills for the costs to Trustor, be paid directly to the billing party by Trustor.

(b) In addition, Trustor agrees to pay all costs, including, without limitation, attorney fees and expenses, incurred by Beneficiary in enforcing the terms of this Deed of Trust or the terms of any of the Loan Documents, whether or not suit is filed. Trustor agrees to indemnify and hold Beneficiary harmless from all liability, loss, damage, or expense (including, without limitation, attorney fees) that it may incur under this Deed of Trust, or in connection with the making of any of the loans or financial arrangements secured by this Deed of Trust, the enforcement of any of Beneficiary's rights or remedies, any action taken by Beneficiary under this Deed of Trust, or by reason or in defense of any claims and demands that may be asserted against Beneficiary arising out of the Collateral.

(c) On the failure of Trustor to make timely payment pursuant to the terms of this Deed of Trust, the payment may be paid by Beneficiary. Sums of money paid by Beneficiary, and sums owed to Beneficiary pursuant to this Deed of Trust, together with interest at the Default Rate from the date Beneficiary makes the payment or incurs the loss, will be secured by this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

(d) The provisions of this Section 3.5 will survive the termination of this Deed of Trust and the repayment of the Indebtedness.

3.6 Reimbursement.

Beneficiary will have the right to declare immediately due any amount paid by it for any tax, stamp tax, assessment, water rate, sewer rate, insurance premium, repair, rent charge, debt, claim, inspection, or lien having priority

over this Deed of Trust, or over any other agreement given to secure the Indebtedness.

3.7 Litigation.

Trustor will promptly give written notice to Beneficiary of any litigation commenced or threatened affecting Trustor or the Property other than unlawful detainer proceedings brought by Trustor.

ARTICLE 4.
NEGATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

4.1 Other Financing, Subordination.

Except for the liens securing the Indebtedness, Trustor will not create or permit to continue in existence any mortgage, pledge, encumbrance, lien, or charge of any kind (including purchase money and conditional sale liens) on any of the Property in a superior position on title except for:

(a) liens for taxes not yet delinquent; and

(b) permanent financing loan(s) not to exceed SIX HUNDRED FIFTY THOUSAND Dollars ($650,000), which Beneficiary's loan shall be subordinate to. Beneficiary shall approve in writing the amount of the final permanent financing prior to closing of the permanent financing loan(s).

Any transaction in violation of this section will cause all Indebtedness, irrespective of the Maturity Date, at the option of the holder and without demand or notice, to immediately become due.

4.2 Transferability.

One of the inducements to Beneficiary for making the Loan is the identity of Trustor. The existence of any interest in the Property other than the interests of Trustor and Beneficiary and any encumbrance permitted in this Deed of Trust, even though subordinate to the security interest of Beneficiary, and the existence of any interest in Trustor other than those of the present owners, would impair the Property and the security interest of Beneficiary, and, therefore, Trustor will not sell, convey, assign, transfer, alienate, or otherwise dispose of its interest in the Property, either voluntarily or by operation of law, or agree to do so, without the prior written consent of Beneficiary. Consent to one transaction by Beneficiary will not be deemed a waiver of the right to require consent to further or successive transactions. If Trustor is a corporation, any sale, transfer, or disposition of fifty percent (50%) or more of the voting stock of Trustor or of any corporation that directly or indirectly owns or controls Trustor, including, without limitation, the parent company of Trustor and the parent company of the parent company of Trustor, will constitute a sale of the Property for purposes of this article. If Trustor is a partnership, any change or addition of a general partner of Trustor, change of a partnership interest of Trustor, or sale, transfer, or disposition of fifty percent (50%) or more of the voting stock or partnership interest of any partner of Trustor or of any corporation or partnership that directly or indirectly owns or controls any partner of Trustor, including, without limitation, each parent company of a partner of Trustor and each parent company of any parent company of a partner of Trustor, will constitute a sale of the Property for purposes of this section. Any transaction in violation of this section will cause all Indebtedness, irrespective of the maturity dates, at the option of the holder and without demand or notice, immediately to become due, together with any prepayment premium in accordance with the terms of the Note.

4.3 Replacement of Fixtures and Personalty.

Trustor will not permit any of the fixtures located on the Development or now or later installed in or used in connection with the Development, whether or not permanently affixed to the Property ("Fixtures") or any personal property ("Personalty") now or later located on the Property to be removed at any time from the Property without the prior written consent of Beneficiary unless actually replaced by articles of equal suitability and value owned by Trustor free and clear of any lien or security interest except as may be approved in writing by Beneficiary.

ARTICLE 5.
CASUALTIES AND CONDEMNATION

5.1 Casualties.

(a) Trustor will promptly notify Beneficiary in writing after any loss or damage caused by fire or other casualty to the Property prior to the making of any repairs. Trustor will furnish to Beneficiary within ninety (90) days after the loss or damage the following:

(i) evidence satisfactory to Beneficiary of the cost of repair or reconstruction;

(ii) evidence satisfactory to Beneficiary that sufficient funds are available or committed for the benefit of Beneficiary, including insurance proceeds, payment and performance bonds, or otherwise, to complete the repair or reconstruction; and

(iii) evidence satisfactory to Beneficiary that the repair or reconstruction may be completed in accordance with all applicable laws, rules, regulations, and ordinances and that all necessary permits and approvals have been or will be obtained.

If Trustor does not furnish this evidence to Beneficiary within the ninety-day period, or if Beneficiary in its sole discretion determines that repair or reconstruction is not economically feasible, then within thirty (30) days after the expiration of the ninety-day period, Beneficiary will have the option (in this Deed of Trust, "Repayment Option") to have all insurance proceeds applied against the Indebtedness. If Beneficiary elects the Repayment Option, Trustor will immediately transfer to Beneficiary all insurance proceeds received by it, if any, to the extent of the Indebtedness, and Beneficiary will apply the insurance proceeds received by it, if any, against the Indebtedness. If the insurance proceeds held by Trustor and Beneficiary will exceed the Indebtedness, any excess insurance proceeds will belong and be paid over to or be retained by Trustor.

(b) If Beneficiary does not elect the Repayment Option within the specified time period, Trustor will with all diligence repair or otherwise reconstruct the damage to the Property, all according to the original plans and specifications for the improvements and elevations or any modified plans and specifications conforming to the then laws and regulations as will first have been approved in writing by Beneficiary and any occupants of the Improvements having the right to approve. Beneficiary will use all insurance proceeds, if any, received by it relating to the damage or destruction to reimburse Trustor from time to time for expenditures made for repair of the damage or for the erection of any building, structure, or improvements in their place if permitted as follows:

(i) At the end of each month against Trustor's architect's certificate, an amount that will be that proportion of the insurance proceeds held in trust that eighty-five percent (85%) of the payments to be made to the contractors or materialmen for work done, materials supplied, and services rendered during that month bears to the total contract price.

(ii) At the completion of the work, the balance of the proceeds required for completing the payments for the work will be paid to or for the account of Trustor, provided that at the time of the payment:

(A) there are no liens (as evidenced by an endorsement satisfactory to Beneficiary issued by Trustee) against the Property by reason of the work, or proof satisfactory to Beneficiary has been submitted that all costs of the work have been paid; and

(B) Trustor's architect will certify that all required work is completed and is proper and of a quality and class of the original work required by the original plans and specifications and in accordance with the approved plans and specifications.

If the insurance proceeds exceed the costs of completing the work, the excess insurance proceeds will belong and be retained by or be paid over to Beneficiary to be applied against the Indebtedness. If the costs of completing the work exceed the insurance proceeds, Trustor will pay the balance of the costs of completing the work within thirty (30) days after the completion.

5.2. Condemnation.

Trustor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion of it, will notify Trustee and Beneficiary of the pendency of the proceedings. Trustee and Beneficiary may participate in any proceedings and Trustor from time to time will deliver to Beneficiary all instruments requested by Beneficiary to permit participation. If there are condemnation proceedings, the award or compensation payable is assigned to and will be paid to Beneficiary. Beneficiary will be under no obligation to question the amount of any award or compensation and may accept it in the amount in which it is paid. In any condemnation proceedings, Beneficiary may be represented by counsel selected by Beneficiary. The proceeds of any award or compensation received will, at the option of Beneficiary, either be applied, without premium, to the prepayment of the Note or be paid over to Trustor for restoration of the Improvements in accordance with the provisions of this Deed of Trust.

ARTICLE 6.
EVENTS OF DEFAULT AND REMEDIES OF BENEFICIARY

6.1 Events of Default.

(a) The following events are each an Event of Default:

(i) Default in the payment of any sum of principal or interest when due under the Note or any other sum due under the Loan Documents.

(ii) The failure (without cure during the applicable period, if any, for cure) of any party to this loan ("Loan Party") to observe, perform, or discharge any obligation, term, covenant, or condition of Loan Documents, any agreement relating to the Property, or any agreement or instrument between any Loan Party and Beneficiary.

(iii) The entry of an order for relief under federal bankruptcy laws as to Trustor or the adjudication of Trustor as insolvent or bankrupt pursuant to the provisions of any state insolvency or bankruptcy act; the commencement by Trustor of any case, proceeding, or other action seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or other relief for debtors; Trustor's consent to, acquiescence in, or attempt to secure the appointment of, any Receiver of all or any substantial part of its properties or of the Property; Trustor's generally not paying its debts as they become due or admitting in writing its inability to pay its debts or making a general assignment for the benefit of creditors; or Trustor's taking of any action to authorize any of the acts set forth above in this section.

(iv) Any case, proceeding, or other action against Trustor is commenced, seeking to have an order for relief entered against it as a debtor or seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation relating to bankruptcy, insolvency, reorganization, or other relief for debtors, or seeking appointment of any Receiver for Trustor or for all or any substantial part of its property or for the Property, and that case, proceeding, or other action:

(A) results in the entry of an order for relief against it that is not fully stayed within seven business days after the entry, or

(B) remains undismissed for an aggregate of thirty (30) days (whether or not consecutive); or the possibility that any portion of the Property would, by operation of law or otherwise, devolve on or pass to any Person other than Trustor and that situation continues and is not remedied by Trustor within thirty (30) days after the happening of the event.

(v) The assignment by Trustor, as lessor or sublessor, as the case may be, of the rents or the income of the Property or any part of it (other than to Beneficiary) without first obtaining the written consent of Beneficiary.

(vi) The filing of any claim or lien against the Property or any part of it, except for those liens to which Beneficiary has specifically agreed to subordinate to as specified in Section 4.1, and the continued maintenance of the claim or lien for a period of thirty (30) days without discharge, satisfaction, or adequate bonding in accordance with the terms of this Deed of Trust;

(vii) Default under any agreement to which Trustor is a party, which agreement relates to the borrowing of money by Trustor from any Person.

(viii) Any representation or warranty made by any Loan Party or any other Person under this Deed of Trust or in, under, or pursuant to the Loan Documents, is false or misleading in any material respect as of the date on which the representation or warranty was made.

(ix) Any of the Loan Documents, at any time after their respective execution and delivery and for any reason, cease to be in full force or are declared null and void, or the validity or enforceability is contested by any Loan Party or any stockholder or partner of any Loan Party, or any Loan Party denies that it has any or further liability or obligation under any of the Loan Documents to which it is a party.

(x) Any of the Security Documents, at any time after their respective execution and delivery and for any reason, cease to constitute valid and subsisting liens or valid and perfected security interests in and to the property purported to be subject to any of the Security Documents;

(xi) Any representation made by any Loan Party in the Certification Agreement is false or misleading in any material respect as of the date made, or any breach or default in any of Trustor's obligations under the Certification Agreement;

(xii) The occurrence of any material adverse change in the business or properties or condition (financial or otherwise) of Trustor or the condition or operation of the Property.

(b) If one or more Event of Default occurs and is continuing, then Beneficiary may declare all the Indebtedness to be due and the Indebtedness will become due without any further presentment, demand, protest, or notice of any kind, and Beneficiary may:

(i) in person, by agent, or by a receiver, and without regard to the adequacy of security, the solvency of Trustor, or the existence of waste, enter on and take possession of the Property or any part of it in its own name or in the name of Trustee, sue for or otherwise collect the rents, issues, and profits, and apply them, less costs and expenses of operation and collection, including reasonable attorney fees, upon the Indebtedness, all in any order that Beneficiary may determine. The entering on and taking possession of the Property, the collection

of rents, issues, and profits, and the application of them will not cure or waive any default or notice of default or invalidate any act done pursuant to the notice;

(ii) commence an action to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages of real property;

(iii) deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Property to be sold, which notice Trustee or Beneficiary will cause to be filed for record;

(iv) with respect to any Personalty, proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect of the Property, or proceed to sell the Personalty separately and without regard to the Property in accordance with Beneficiary's rights and remedies; or

(v) exercise any of these remedies in combination or any other remedy at law or in equity.

6.2 Power of Sale.

(a) If Beneficiary elects to foreclose by exercise of the power of sale in this Deed of Trust, Beneficiary will also deposit with Trustee this Deed of Trust, the Note, and any receipts and evidence of expenditures made and secured as Trustee may require. If notice of default has been given as then required by law, and after lapse of the time that may then be required by law, after recordation of the notice of default, Trustee, without demand on Trustor, will, after notice of sale having been given as required by law, sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels as Trustee determines, and in any order that it may determine, at public auction to the highest bidder. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time after that may postpone the sale by public announcement at the time fixed by the preceding postponement, and without further notice make the sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Beneficiary may rescind any notice of default at any time before Trustee's sale by executing a notice of rescission and recording it. The recordation of the notice will constitute a cancellation of any prior declaration of default and demand for sale and of any acceleration of maturity of Indebtedness affected by any prior declaration or notice of default. The exercise by Beneficiary of the right of rescission will not constitute a waiver of any default then existing or subsequently occurring, or impair the right of Beneficiary to execute other declarations of default and demand for sale, or notices of default and of election to cause the Property to be sold, nor otherwise affect the Note or this Deed of Trust, or any of the rights, obligations, or remedies of Beneficiary or Trustee. After sale, Trustee will deliver to the purchaser its deed conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts will be conclusive proof of their truthfulness. Any Person, including Trustor, Trustee, or Beneficiary, may purchase at that sale. If allowed by law, Beneficiary, if it is the purchaser, may turn in the Note at the amount owing on it toward payment of the purchase price (or for endorsement of the purchase price as a payment on the Note if the amount owing exceeds the purchase price). Trustor expressly waives any right of redemption after sale that Trustor may have at the time of sale or that may apply to the sale.

(b) Trustee, upon the sale, will make (without any covenant or warranty, express or implied), execute and, after due payment made, deliver to a purchaser and its heirs or assigns a deed or other record of interest, as the case may be, to the Property sold, which will convey to the purchaser all the title and interest of Trustor in the Property and will apply the proceeds of the sale in payment:

(i) first, of the expenses of the sale together with the expenses of the trust, including, without limitation, attorney fees, that will become due on any default made by Trustor, and also any sums that Trustee or Beneficiary have paid for procuring a search of the title to the Property subsequent to the execution of this Deed of Trust; and

(ii) second, in payment of the Indebtedness then remaining unpaid, and the amount of all other monies with interest in this Deed of Trust agreed or provided to be paid by Trustor.

Trustee will pay the balance or surplus of the proceeds of sale to Trustor and its successors or assigns as its interests may appear.

6.3. Proof of Default.

If there is a sale of the Property, or any part of it, and the execution of a deed for it, the recital of default and of recording notice of breach and election of sale, and of the elapsing of the required time between the recording and the following notice, and of the giving of notice of sale, and of a demand by Beneficiary that the sale should be made, will be conclusive proof of the default, recording, election, elapsing of time, and the due giving of notice, and that the sale was regularly and validly made on proper demand by Beneficiary. Any deed with these recitals will be effectual and

conclusive against Trustor, its successors, and assigns, and all other Persons. The receipt for the purchase money recited or in any deed executed to the purchaser will be sufficient discharge to the purchaser from all obligations to see to the proper application of the purchase money.

6.4 Protection of Security.

If an Event of Default occurs and is continuing, Beneficiary or Trustee, without limitation to do so, without notice to or demand upon Trustor, and without releasing Trustor from any obligations or defaults may:

(a) enter on the Property in any manner and to any extent that either deems necessary to protect the security of this Deed of Trust;

(b) appear in and defend any action or proceeding purporting to affect, in any manner, the Obligations or the Indebtedness, the security of this Deed of Trust, or the rights or powers of Beneficiary or Trustee;

(c) pay, purchase, or compromise any encumbrance, charge, or lien that in the judgment of Beneficiary or Trustee is prior or superior to this Deed of Trust; and

(d) pay necessary expenses, employ counsel, and pay reasonable attorney fees.

Trustor agrees to repay on demand all sums expended by Trustee or Beneficiary pursuant to this section with interest at the Default Rate, and those sums, with interest, will be secured by this Deed of Trust.

6.5. Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of strict right and without notice to Trustor or anyone claiming under Trustor and without regard to the then value of the Property, will have the right to apply *ex parte* to any court having jurisdiction to appoint a Receiver of the Property, and Trustor waives notice of any application for that, provided a hearing to confirm the appointment with notice to Trustor is set within fourteen (14) days after the appointment. Any Receiver will have all the powers and duties of receivers in similar cases and all the powers and duties of Beneficiary in case of entry as provided in this Deed of Trust, and will continue as such and exercise all those powers until the date of confirmation of sale, unless the receivership is terminated sooner.

6.6. Curing the Defaults.

If Trustor at any time fails to perform or comply with any of the terms, covenants, and conditions required on Trustor's part to be performed and complied with under this Deed of Trust, the Note, any of the other Loan Documents, or any other agreement that, under the terms of this Deed of Trust, Trustor is required to perform, then Beneficiary, after seven (7) Business Days' notice to Trustor (or without notice if Beneficiary determines that an emergency exists), and without waiving or releasing Trustor from any of the Obligations, may, subject to the provisions of any of the agreements:

(a) make from its own funds any payments payable by Trustor and take out, pay for, and maintain any of the insurance policies provided for; and

(b) perform any other acts on the part of Trustor to be performed and enter on the Property for that purpose.

The making by Beneficiary of payments out of Beneficiary's own funds will not, however, be deemed to cure the default by Trustor, and they will not be cured unless and until Trustor reimburses Beneficiary for the payments. All sums paid and all reasonable costs and expenses incurred by Beneficiary in connection with the performance of any act, together with interest on unpaid balances at the Default Rate from the respective dates of Beneficiary's making of each payment, will be added to the principal of the Indebtedness, will be secured by the Security Documents and by the lien of this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

6.7 Remedies Cumulative.

All remedies of Beneficiary provided for in this Deed of Trust are cumulative and will be in addition to all other rights and remedies provided in the other Loan Documents or provided by law, including any banker's lien and right of offset. The exercise of any right or remedy by Beneficiary will not in any way constitute a cure or waiver of default, will not invalidate any act done pursuant to any notice of default, nor will it prejudice Beneficiary in the exercise of any of its rights unless, in the exercise of those rights, Beneficiary collects the total amount of the Indebtedness.

ARTICLE 7.
SECURITY AGREEMENT

7.1 Grant of Security Interest.

Trustor also grants to Beneficiary a security interest in all of Trustor's right, title, and interest now owned or later acquired to the following property (collectively, "Collateral") now or later affixed to or located on the Property, or used in connection with the operation of the Property or the Improvements and all the proceeds of that property: the Personalty; the Fixtures; all machinery, equipment, engines, appliances, and fixtures for generating or distributing air, water, heat, electricity, light, fuel, or refrigeration, or for ventilating or sanitary purposes, or for the exclusion of vermin or insects, or for the removal of dust, refuse, or garbage; all fire hoses and brackets and boxes for them, fire sprinklers, alarm systems, linoleum, carpets and carpeting, plumbing, bathtubs, sinks, basins, pipes, faucets, water closets, laundry equipment, washers, dryers, refrigerators, heating units, stoves, ovens, ranges, dishwashers, disposals, water heaters, incinerators, furniture, fixtures, and furnishings; all building materials, supplies, and equipment now or later delivered to the Property; all security and cleaning deposits collected from any tenants or lessees of any part of the Property; and, subject to the other provisions of this Deed of Trust, all proceeds of any fire and builders' risk insurance policy, or of any policy insuring the Property (and the contents of the Improvements) against any other perils, all awards made in eminent domain proceedings, or purchased in lieu of that, made with respect to the Property, and any compensation, award, payment, or relief given by any governmental agency or other source because of damage to the Property resulting from earthquake, flood, windstorm, or any emergency or any other event or circumstance. The specific enumerations in this Deed of Trust do not exclude the general.

The security interest also includes all additions to, substitutions for, changes in, or replacements of the whole or any part of these articles of property, together with all contract rights of Trustor in construction contracts, bonds, agreements for purchase and sale of the Property, all policies of insurance arising out of the improvement or ownership of the Property, and all accounts, contract rights, chattel paper, instruments, general intangibles, and other obligations of any kind now or later existing, arising out of, or in connection with the operation or development of the Property. The security interest also includes all rights now or later existing in all security agreements, leases, and other contracts securing or otherwise relating to any accounts, contract rights, chattel paper, instruments, general intangibles, or obligations; all causes of action and recoveries now or later existing for any loss or diminution in value of the Property; all proceeds of any of the Collateral; and, to the extent not otherwise included, all payments under insurance (whether Beneficiary is the loss payee), or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Collateral.

7.2. Remedies.

This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is granted a security interest. Beneficiary has all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor agrees to execute and deliver on demand, and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to execute, deliver, and file, any security agreements, financing statements, continuation statements, or other instruments that Beneficiary may request to impose, perfect, or continue the perfection of the lien or security interest created by this Deed of Trust. On the occurrence of any Event of Default (taking into account any applicable period of grace or cure), Beneficiary will have the right to sell at any public or private sales as permitted by applicable law any of the Collateral that is personal property. Beneficiary will also have any other rights and remedies, whether at law, in equity, or by statute that are available to secured creditors. Any disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any Person, including both Trustor and Beneficiary, will be eligible to purchase any part or all of the Collateral at any disposition.

7.3 Expenses.

Expenses of retaking, holding, and preparing for sale, selling, or the like will be borne by Trustor and will include Beneficiary's and Trustee's attorney fees and legal expenses. Trustor, on demand of Beneficiary, will assemble the Collateral and make it available to Beneficiary at the Property, a place deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary will give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time of or after which any private sale or any other intended disposition is to be made. If the notice is sent to Trustor in the manner provided for the mailing of notices in this Deed of Trust, it is deemed reasonable notice to Trustor.

7.4 Fixture Filing.

(a) This Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to all Fixtures included within the term Property as used in this Deed of Trust and with respect to any goods, Collateral, or other personal property that may now be or later become fixtures.

(b) It is understood and agreed that, to protect Beneficiary against the effect of Uniform Commercial Code 9313, if any fixture owned by Trustor on the Property, or any part of any fixture, is replaced or added to, or any new fixture owned by Trustor is installed by Trustor, and in each case the fixture has a cost or fair market value in excess of Five Thousand Dollars ($5,000.00), and the fixture is or may be subject to a security interest held by a seller or any other party, the following will apply:

(i) Trustor or any owner of all or any part of the Property will, before the replacement, addition, or installation of any fixture, obtain the prior written approval of Beneficiary, and give Beneficiary written notice that a security agreement with respect to the fixture has been or will be consummated, and the notice will contain the following information:

(A) a description of the fixtures to be replaced, added to, installed, or substituted;

(B) a recital of the location at which the fixtures will be replaced, added to, installed, or substituted;

(C) a statement of the name and address of the holder and amount of the security interest; and

(D) the date of the purchase of the fixtures.

Neither this subsection nor any consent by Beneficiary pursuant to this subsection will constitute an agreement to subordinate any right of Beneficiary in fixtures or other property covered by this Deed of Trust.

(ii) Beneficiary may at any time pay the balance due under the security agreement and the amount paid will be:

(A) secured by this Deed of Trust and will be a lien on the Property, enjoying the same priorities as this Deed of Trust,

(B) added to the amount of the Note or other obligation secured by this Deed of Trust, and

(C) payable on demand with interest at the Default Rate from the time of the payment; and if Trustor is in default for ten (10) days after demand, the entire principal sum secured with all unpaid interest will, at the Beneficiary's option, become immediately due, regardless of any contrary provision in this Deed of Trust or the Note; or Beneficiary will have the privilege of acquiring by assignment from the holder of the security interest any contract rights, accounts receivable, chattel paper, negotiable or nonnegotiable instruments, or other evidence of Trustor's Indebtedness for the fixtures, and, on acquiring these interests by assignment, will have the right to enforce the security interest as an assignee, in accordance with the California Uniform Commercial Code and other applicable law.

(iii) Whether Beneficiary has paid or taken an assignment of the security interest, if at any time Trustor is in default for a period of ten (10) days under the security agreement covering the fixtures, that default will be considered a material breach of Trustor's covenants under this Deed of Trust, and will, at Beneficiary's option, constitute a default under this Deed of Trust, and the principal sum secured will, at Beneficiary's option, become immediately due.

(iv) The provisions of subsections (ii) and (iii) above will not apply if the goods that may become fixtures are of at least equivalent value and quality as any property being replaced and if the rights of the party holding the security interest have been expressly subordinated, at no cost to Beneficiary, to the lien of this Deed of Trust in a manner satisfactory to Beneficiary, including, without limitation, at Beneficiary's option, providing to Beneficiary a satisfactory opinion of counsel that this Deed of Trust constitutes a valid and subsisting first lien on the fixtures that is not subordinate to the lien of the security interest under any applicable law, including, without limitation, the provisions of Uniform Commercial Code 9313.

7.5 Assignment of Agreements.

(a) As partial security for the Loan, Trustor sells, assigns, transfers, sets over, and delivers to Beneficiary all of Trustor's right, title, and interest in all agreements, permits, and contracts pertaining to the use or operation of the Property, including, but not limited to, environmental impact reports; negative declarations; map approvals; grading and construction permits; conditional use permits; applications for all permits; management agreements; all development rights in the Property that Trustor may now or later acquire (including, without limitation, development rights arising in connection with any action by a governmental entity, including, by way of illustration, but not of limitation, inducement resolutions of county, municipal, or other governmental entities); agreements with contractors, suppliers, and construction managers; and agreements pertaining to the transfer of development rights or permitted floor area under

applicable laws or ordinances (collectively, "Agreements"), as they may be amended or otherwise modified from time to time, including, without limitation, the right of Trustor to terminate any of the Agreements, to perform under them, and to compel performance and otherwise exercise all remedies under them, together with the immediate and continuing right to collect and receive all sums that may become due to Trustor, or which Trustor may now or later become entitled to demand or claim, arising or issuing out of the Agreements, including, without limitation, claims of Trustor for damages arising out of breach of or default under any of the Agreements and all rights of Trustor to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to any of the Agreements. However, so long as no Event of Default has occurred and is continuing, Trustor will have the right under a license granted to collect and retain all sums that may become payable to Trustor under the Agreements.

(b) Trustor covenants and agrees to punctually observe, perform, and discharge the obligations, terms, covenants, conditions, and warranties to be observed, performed, and discharged by it under the Agreements. Beneficiary, upon an Event of Default, at its option and upon written notice to Trustor, will have the right to declare the assignment in this Article to be absolute, and, in addition, Beneficiary will have the complete right then or later to exercise and enforce all of the rights and remedies provided by law.

(c) The acceptance by Beneficiary of the assignment in this Article, with all the rights, powers, privileges, and authority granted will not, prior to the exercise of Beneficiary's right to declare the assignment in this Article to be absolute, obligate Beneficiary to assume any obligations under the Agreements or to take any action under them, or to expend any money or incur any expense or perform or discharge any obligation, duty, or liability under the Agreements, or to assume any obligation or responsibility for the nonperformance of the provisions by Trustor.

ARTICLE 8.
ASSIGNMENT OF LEASES AND RENTS

8.1 Assignment.

Trustor irrevocably assigns to Beneficiary

(a) all of Trustor's right, title, and interest in all leases; licenses; agreements relating to the management, leasing, or operation of the Property; and other agreements of any kind relating to the use or occupancy of the Property, whether now existing or entered into after the date of this Deed of Trust ("Leases"), and

(b) the rents, issues, and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("Payments"), for the purposes and on the terms and conditions below.

The term Leases will also include all guarantees of and security for the lessees' performance, and all amendments, extensions, renewals, or modifications that are permitted. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent on, and may be exercised without, possession of the Property.

8.2 License.

Beneficiary confers on Trustor a license ("License") to collect and retain the Payments as they become due until the occurrence of an Event of Default. Upon an Event of Default, the License will be automatically revoked and Beneficiary may collect and retain the Payments without notice and without taking possession of the Property. Trustor irrevocably authorizes and directs the lessees under the Leases to rely on and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums that may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases. The lessees will have no right or duty to inquire as to whether any Default has actually occurred or is then existing. Trustor relieves the lessees from any liability to Trustor by reason of relying on and complying with any notice or demand by Beneficiary.

8.3 Effect of Assignment.

The assignment will not impose on Beneficiary any duty to produce rents, issues, or profits from the Property, or cause Beneficiary to be:

(a) a mortgagee-in-possession for any purpose;

(b) responsible for performing any of the obligations of the lessor under any of the Leases; or

(c) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property.

Beneficiary will not be liable to Trustor or any other party as a consequence of the exercise of the rights granted to Beneficiary under this assignment or the failure of Beneficiary to perform any obligation of Trustor arising under the Leases.

8.4 Leasing Covenants.

Trustor covenants and agrees as follows:

(a) At Trustor's sole cost to:

(i) perform all obligations of the lessor under the Leases and enforce performance by the lessees of their obligations under the Leases;

(ii) enforce all remedies available to Trustor in case of default by the lessees under any of the Leases and prosecute and defend any action, arbitration, or other controversy relating to any of the Leases or to Trustor's interest in any of the Leases;

(iii) give Beneficiary prompt notice of any default that occurs under any of the Leases, whether by the lessees or Trustor;

(iv) promptly upon execution, deliver to Beneficiary fully executed counterpart originals of the Leases; and

(b) except with Beneficiary's prior written consent, not to:

(i) execute any other assignment relating to any of the Leases or the Payments;

(ii) subordinate any of the Leases to any other deed of trust or encumbrance.

Any attempted action in violation of the provisions of Section 8.4(b) will be voidable at Beneficiary's election.

8.5. Application of Rents.

Beneficiary, in its sole discretion, may apply, or require the application of, all amounts received pursuant to the assignment to the payment of any one or more of the Obligations in any order that Beneficiary may elect.

8.6. Estoppel Certificates.

Within twenty (20) days after request by Beneficiary, Trustor will deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates executed by Trustor and by each of the lessees, in recordable form, certifying:

(a) that the assignment and the Leases are in full force;

(b) the date of each lessee's most recent payment of rent;

(c) that there are no defenses or offsets outstanding, or stating those claimed by Trustor or lessees under the assignment or the Leases; and

(d) any other information reasonably requested by Beneficiary.

8.7 Remedies.

In addition to any other remedies in this Deed of Trust, Beneficiary will have the following rights and remedies upon the occurrence of an Event of Default:

(a) To receive the Payments and any other amounts arising or accruing under the Leases or from the Property;

(b) To collect, sue for, settle, compromise, and give releases for the Payments and pursue any remedies for the enforcement of the Leases or Trustor's rights under the Leases; and

(c) To take possession of the Property, and hold, manage, lease, and operate it on any terms and for any period of time that Beneficiary may deem proper and, either with or without taking possession of the Property, in its own name, make from time to time all alterations, renovations, repairs, or replacements that Beneficiary may deem proper.

8.8 Definitions.

The terms lessor and lessors as used in this Deed of Trust will include all owners, landlords, licensors, and other parties in a similar position with respect to the Leases. The terms lessee and lessees will include any tenants and licensees and any other parties in a similar position and will also include any guarantors of or other obligors under the Leases.

ARTICLE 9.
MISCELLANEOUS

9.1 Successor Trustee.

Beneficiary may remove Trustee or any successor trustee at any time and appoint a successor trustee by recording a written substitution in the county where the Property is located, or in any other manner permitted by law. Upon that appointment, all of the powers, rights, and authority of Trustee will immediately become vested in the successor.

9.2 Change of Law.

If any law is passed, after the date of this Deed of Trust, that deducts from the value of the Property, for the purposes of taxation, any lien on it, or changes in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured by mortgage or deed of trust (other than laws imposing taxes on income) or the manner of the collection of any taxes so as to affect adversely the rights of Beneficiary as holder of the Note and Beneficiary under this Deed of Trust, the Indebtedness will become due at Beneficiary's option, exercised by thirty (30) days' notice to Trustor unless Trustor, within that thirty (30) day period, if permitted by law, assumes the payment of any tax or other charge imposed on Beneficiary for the period remaining until full payment by Trustor of the Indebtedness.

9.3 No Waiver.

No waiver by Beneficiary of any default or breach by Trustor will be implied from any omission by Beneficiary to take action on account of that default if the default persists or is repeated. Also, no express waiver will affect any default other than the default in the waiver and the waiver will be operative only for the time and to the extent stated. Waivers of any covenant, term, or condition in this Deed of Trust will not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by Beneficiary for any act by Trustor requiring further consent or approval will not be deemed to waive or render unnecessary the consent or approval for any subsequent similar act.

9.4 Abandonment.

Subject to any chattel mortgages, security agreements, or other liens on title that may exist with the consent of Beneficiary, or any provided for in this Deed of Trust, all Personalty that upon foreclosure of the Property is owned by Trustor and is used in connection with the operation of the Property will be deemed at Beneficiary's option to have become on that date a part of the Property and abandoned to Beneficiary in its then condition.

9.5 Survival.

The covenants and agreements in this Deed of Trust will bind and inure to the benefit of Beneficiary and Trustor and their successors and assigns. It is agreed that Beneficiary may assign to or grant a participation in any one or more lenders, free from any right of counterclaim, recoupment, or setoff by Trustor, Beneficiary's rights and obligations in whole or in part under the Loan Documents. Nothing in this Article 11.6 is intended to limit other provisions in the Loan Documents that by their terms survive the repayment of the Indebtedness or the termination of any Loan Document.

9.6 Severability.

If any term, provision, covenant, or condition of this Deed of Trust or any application of it is held by a court of competent jurisdiction to be invalid, void, or unenforceable, in whole or in part, all terms, provisions, covenants, and conditions of this Deed of Trust and all applications of it not held invalid, void, or unenforceable will continue in full force and will not be affected, impaired, or invalidated.

9.7 References to Foreclosure.

References in this Deed of Trust to foreclosure and related phrases are references to the appropriate procedure in connection with Trustee's private power of sale, any judicial foreclosure proceeding, and any deed given in lieu of foreclosure.

9.8 Joinder of Foreclosure.

If Beneficiary holds any other or additional security for the payment of any Indebtedness or performance of any Obligation, its sale or foreclosure, on any default in the payment or performance, in Beneficiary's sole discretion, may be prior to, subsequent to, or joined or otherwise contemporaneous with any sale or foreclosure. In addition to the rights in this Deed of Trust specifically conferred, Beneficiary, at any time and from time to time, may exercise any right or

remedy now or later given by law to beneficiaries under deeds of trust generally, or to the holders of any obligations of the kind secured.

9.9 Rights of Beneficiary and Trustee.

At any time and from time to time, without liability and without notice, and without releasing or otherwise affecting the liability of any person for payment of any Indebtedness,

(a) Beneficiary, at its sole discretion and only in writing, may extend the time for or release any Person now or later liable for payment of any Indebtedness, or accept or release additional security, or subordinate the lien or charge of this Deed of Trust, or

(b) Trustee, on written request of Beneficiary and presentation of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust for endorsement, may reconvey any part of the Property, consent to the making of any map or plat of it, join in granting any easement on it, or join in any agreement of extension or subordination.

On Beneficiary's written request and surrender of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust to Trustee for cancellation, and on payment to Trustee of its fees and expenses, Trustee will reconvey without warranty the then trust property. The recitals in any reconveyance will be conclusive proof of the truthfulness of them, and the grantee in any reconveyance may be described as the person legally entitled.

9.10 Copies.

Trustor will promptly give to Beneficiary copies of all

(a) notices of violation that Trustor receives from any governmental agency or authority; and

(b) notices of default that Trustor receives under any agreement relating to the borrowing of money by Trustor from any Person.

9.11 Subordination.

In addition to the subordination authorized in Section 4.1, at the option of Beneficiary, this Deed of Trust will become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to any insurance proceeds, damages, awards, or compensation resulting from damage to the Property or condemnation or exercise of power of eminent domain), to any contracts of sale or any leases of the Property on the execution by Beneficiary and recording of a unilateral declaration to that effect in the official records of the county and state where the Property is located. Beneficiary may require the issuance of any title insurance endorsements to the Title Policy in connection with any subordination that Beneficiary, in its judgment, determines are appropriate, and Trustor will be obligated to pay any cost or expense incurred in connection with the issuance.

9.12 No Merger.

So long as any of the Indebtedness remains unpaid or Beneficiary has any further obligation under the Loan Documents, unless Beneficiary otherwise consents in writing, the fee estate of Trustor in the Property or any part of it will not merge, by operation of law or otherwise, with any leasehold or other estate in the Property or any part of it, but will always be kept separate and distinct, regardless of the union of the fee estate and the leasehold or other estate in Trustor or any other Person.

9.13. Performance by Trustor.

Trustor will faithfully perform every covenant to be performed by Trustor under any lien or encumbrance, including, without limiting the generality of this Deed of Trust, mortgages, deeds of trust, leases, declarations or covenants, conditions and restrictions, and other agreements that affect the Property, in law or in equity, that Beneficiary reasonably believes may be prior and superior to or on a parity with the lien or charge of this Deed of Trust. A breach of or a default under any lien or encumbrance that exists after any applicable grace period in the pertinent instrument has expired without that breach or default having been cured, will constitute an Event of Default under this Deed of Trust. If Trustor fails to do so, Beneficiary, without demand or notice and in its sole judgment, may do any things required by Trustor by any of the provisions in this Deed of Trust and incur and pay expenses in connection with that.

9.14 Personalty Security Instruments.

Trustor agrees that if Beneficiary at any time holds additional security for any obligations secured by this Deed of Trust, it may enforce the terms of it or otherwise realize on it, at its option, either before or concurrently or after a sale is made under this Deed of Trust, and may apply the proceeds on the Indebtedness secured without affecting the status or waiving any right to exhaust any other security, including the security under this Deed of Trust, and without waiving any

breach or default or any right or power, whether exercised under this Deed of Trust or in any other security.

9.15 Suits to Protect Property.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or any additional or other security for the obligations secured, the interest of Beneficiary or the rights, powers, or duties of Trustee, and to pay all costs and expenses, including, without limitation, cost of evidence of title and attorney fees, in any action or proceeding in which Beneficiary or Trustee may appear or be made a party, including, but not limited to, foreclosure or other proceeding commenced by those claiming a right to any part of the Property under subordinate liens, in any action to partition or condemn all or part of the Property, whether pursued to final judgment, and in any exercise of the power of sale in this Deed of Trust, whether the sale is actually consummated.

9.16 Further Advances.

On the request of Trustor or its permitted successors in ownership of the Property, Beneficiary may, at its option, at any time before full payment of the Indebtedness, make further advances to Trustor or the successors in ownership, with interest and late charges to be secured by this Deed of Trust. However, the amount of principal secured by this Deed of Trust and remaining unpaid will not at the time of and including any advance exceed the original principal sum secured. Also, if Beneficiary, at its option, makes a further advance or advances, Trustor or the successors in ownership agree to execute and deliver to Beneficiary a note, payable on or before the maturity of the Indebtedness secured and bearing any other terms that Beneficiary will require.

9.17 Waiver of Statute of Limitations.

The pleading of any statute of limitations as a defense to any obligations secured by this Deed of Trust is waived, to the fullest extent permissible by law.

9.18 Charges for Statements.

Trustor agrees to pay Beneficiary's reasonable charge, to the maximum amount permitted by law, for any statement regarding the obligations secured by this Deed of Trust requested by Trustor or on its behalf.

9.19 Entire Agreement.

This Deed of Trust and the other Loan Documents set forth the entire understanding between Trustor and Beneficiary and they will not be amended except by a written instrument duly executed by each of Trustor and Beneficiary. Any previous representations, warranties, agreements, and understandings among the parties regarding the subject matter of the Loan or the Loan Documents, whether written or oral, are superseded by this Deed of Trust and the other Loan Documents.

9.20 Incorporation.

All terms of the Loan Documents are incorporated in this Deed of Trust by this reference. All persons who may have or acquire an interest in the Property will be deemed to have notice of the terms of the Loan Documents and to have notice, if provided for, that the rate of interest on one or more Obligations may vary from time to time.

9.21. Waiver of Marshaling Rights.

Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property, waives all rights to have the Property or any other property that is now or later may be security for any Obligation ("Other Property") marshaled on any foreclosure of this Deed of Trust or on a foreclosure of any other security for any of the Obligations. Beneficiary will have the right to sell, and any court in which foreclosure proceedings may be brought will have the right to order a sale of, the Property and any of the Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

9.22 Acceptance of Trust; Powers and Duties of Trustee.

Trustee accepts this trust when this Deed of Trust is recorded. From time to time on written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or the performance of any obligations, Trustee may, without liability and without notice:

(a) reconvey all or any part of the Property;

(b) consent to the making of any map or plat; and

(c) join in any grant of easement, any declaration of covenants, conditions, and restrictions, any extension agreement, or any agreement subordinating the lien or charge of this Deed of Trust.

Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust and the enforcement of the rights and remedies available, and may obtain orders or decrees directing, confirming, or approving acts in the execution of the trust and the enforcement of the remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding, including, without limitation, actions in which Trustor, Beneficiary, or Trustee will be a party, unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee will not be obligated to perform any act required of it under this Deed of Trust unless the performance of the act is requested in writing and Trustee is reasonably indemnified and held harmless against any loss, cost, liability, or expense.

9.23 Releases, Extensions, Modifications, and Additional Security.

Without notice to or the consent, approval, or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Obligation; take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Obligation; or accept additional security or release the Property or other security for any Obligation. None of these actions will release or reduce the personal liability of any of the Interested Parties, or release or impair the lien of this Deed of Trust, or the priority of it on the Property. However, no action taken or agreement made by Beneficiary to extend the maturity or otherwise alter the terms or increase the amount of any Obligation will be binding on Trustor without Trustor's consent.

9.24 Reconveyance.

Upon the payment and performance of all Obligations, including, without limitation, Beneficiary's receipt of all sums owing and outstanding under the Note, Beneficiary will deliver to Trustee a written request for reconveyance, and will surrender to Trustee for cancellation this Deed of Trust and any note or instrument evidencing the Obligations. However, Beneficiary will have no obligation to deliver the written request and documents until Beneficiary has been paid by Trustor, in immediately available funds, all escrow, closing, and recording costs, the costs of preparing and issuing the reconveyance, and any trustee's or reconveyance fees. On Trustee's receipt of the written request by Beneficiary and the documents, Trustee will reconvey, without warranty, the Property or that portion then held. To the extent permitted by law, the reconveyance may describe the grantee as the person or persons legally entitled and the recitals of any matters or facts in any reconveyance will be conclusive proof of the truthfulness of them. Neither Beneficiary nor Trustee will have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last reconveyance will operate as a reassignment of all future rents, issues, and profits of the Property to the person legally entitled.

9.25 Obligations of Trustor, Joint and Several.

If more than one person has executed this Deed of Trust as Trustor, the obligations of all those persons will be joint and several.

9.26 Rules Of Construction.

When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural.

9.27 Successors in Interest.

The terms, covenants, and conditions in this Deed of Trust will be binding on and inure to the benefit of the heirs, successors, and assigns of the parties.

9.28 No Offset.

Trustor will pay to Beneficiary all amounts owing under the Note, this Deed of Trust, or any of the other Obligations without deduction, offset, or counterclaim of any kind.

9. 29 Governing Law.

The parties expressly agree that this Deed of Trust (including, without limitation, all questions regarding permissive rates of interest) will be governed by or construed in accordance with the laws of California and federal law, where applicable.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

Resident Owned Parks, Inc., a California non profit public benefit corporation:

By: _____
Maurice A. Priest, President

ACKNOWLEDGMENT

State of California)
County of Sacramento)

On 9/30/10 before me Pamela Reed Thomas, Notary Public personally appeared Maurice A. Priest, 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 Pamela Reed Thomas

PAMELA REED THOMAS
COMM. # 1858469
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
COMM. EXPIRES JULY 20, 2013

(Seal)

Exhibit A

LEGAL DESCRIPTION

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

REQUEST FOR FULL RECONVEYANCE

TO _____, TRUSTEE Dated: _____, 200__

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

_____ _____

(Signature)

_____ _____

DO NOT LOSE OR DESTROY THE DEED OF TRUST AND NOTE WHICH IT SECURES.
BOTH MUST BE DELIVERED TO THE TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.

2010-28352-5
Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder
Recorded by FIDELITY NATIONAL TITLE CO.
Rec Fee 25.00
Clerk: MM Total: 25.00
Dec 20, 2010 at 15:06

RECORDING REQUESTED BY

And when Recorded Mail Document To:

City of Arcata
City Clerk
736 F St.
Arcata, CA 95521

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 503-224-046

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT made this 8th day of December, 2010, by **Resident Owned Parks, Inc., a California Corporation**, owner of the property hereinafter described and hereinafter referred to as "Owner," and **Warren Clark Morton and Susan Elizabeth Morton**, present owners and holders of the deed of trust and note hereinafter described and hereinafter referred to collectively as "Beneficiary;"

WITNESSETH

WHEREAS, on January 26, 2007, Owner executed a deed of trust to Fidelity National Title Company, as trustee, covering that certain real property located in Arcata, Humboldt County, California more particularly described as follows:

> Parcel 1, as shown on Parcel Map. No. 632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115
>
> APN: 503-224-046

(herein referred to as the "Property") to secure a note in the sum of **$650,000**, dated **January 26, 2007**, in favor of Beneficiary, which deed of trust was recorded **March 9, 2007, as Instrument No. 2007-8125-6** in the Official Records of Humboldt County (hereinafter referred to as "Deed of Trust"); and

(1)

WHEREAS, Beneficiary authorized the recordation of said Deed of Trust in a position subordinate to a lien created by that particular document known as the City of Arcata Regulatory Agreement executed by Owner on March 8, 2007 for the benefit of the City of Arcata ("City"), and recorded March 9, 2010 as Instrument No. 2007-8124-30 in the Official Records of Humboldt County; and

WHEREAS, said regulatory agreement was recorded as a lien superior to the Deed of Trust in order to fulfill requirements for receiving federal and state financing provided by the City to Owner to be used for acquisition, rehabilitation and management of affordable housing on the Property, and was intended to regulate and restrict occupancy, rents, operations, ownership and management of the affordable housing located on the Property in compliance with federal and state requirements; and

WHEREAS, Owner has sought and the City is willing to provide additional financing for improvements to and operation of said affordable housing located on the Property; and

WHEREAS, said additional financing is subject to the same federal and state requirements as the earlier financing described above that the affordable housing on the Property be regulated and restricted for occupancy, rents, operations, ownership and management, and which regulations and restrictions must be protected unconditionally and at all times as lien against the Property superior to Beneficiary's Deed of Trust, for which Owner executed a second regulatory agreement on October 1, 2010, in order to receive said additional financing; and

WHEREAS, Beneficiary's interest in the Property secured by the Deed of Trust will benefit by the improvements to the Property to be made by the additional funding, and Beneficiary has therefore agreed to specifically and unconditionally subordinate its Deed of Trust to the lien or charge of the new regulatory agreement, upon the release of the earlier recorded regulatory agreement.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce City to make the additional financing referred to above, it is hereby declared, understood, and agreed as follows:

(1) The **Regulatory Agreement in favor of the City of Arcata executed by Owner on October 1, 2010** (hereinafter referred to as "Regulatory Agreement"), as to said obligations recited as being secured thereby, and any renewals or extensions hereof, shall unconditionally be and at all times remain a lien or charge on the Property, prior and superior to **Beneficiary's Deed of Trust recorded on March 9, 2007 as Instrument No. 2007-8125-6 in the Official Records of Humboldt County**.

(2) This Agreement shall be the whole and only agreement with regard to the subordination of Beneficiary's Deed of Trust to the lien or charge of the City's Regulatory Agreement and shall supersede and cancel, but only insofar as would affect the priority of the City's Regulatory Agreement, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Beneficiary's Deed of Trust which provide for the subordination of the deed of

trust to another deed or deeds of trust, or to a mortgage or mortgages, or to some other interest in the Property.

Beneficiary declares, agrees, and acknowledges that

(a) It consents to and approves all provisions of the City's Regulatory Agreement;

(b) It intentionally and unconditionally waives, relinquishes, and subordinates its right title and interest in the Property as set forth in Beneficiary's Deed of Trust in favor of the City's Regulatory Agreement, and understands that in reliance upon and in consideration of this waiver, relinquishment and subordination, specific loans and advances are being and will be made by the City and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date recited above.

BENEFICIARY:

Warren Clark Morton

Susan Elizabeth Morton

OWNER:

Resident Owned Parks, Inc.
A California Non-Profit Public Benefit Corporation

By: _____
Maurice A. Priest, President

ACKNOWLEDGMENT

State of California)
County of Sacramento)

On December 3, 2010 before me Pamela Reed Thomas, Notary Public
(here insert name and title of the officer)
personally appeared Maurice A. Priest, 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 Pamela Reed Thomas

PAMELA REED THOMAS
COMM. # 1858469
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
COMM. EXPIRES JULY 20, 2013

(Seal)

ACKNOWLEDGMENT

State of California)
County of Lake)

On December 8, 2010 before me Sharon Salvador, notary public
(here insert name and title of the officer)
personally appeared Warren Clark Morton, 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 Sharon Salvador

SHARON SALVADOR
Commission # 1869258
Notary Public - California
Lake County
My Comm. Expires Nov 21, 2013

(Seal)

ACKNOWLEDGMENT

State of California)
County of Lake)

On December 8, 2010 before me Sharon Salvador, notary public
(here insert name and title of the officer)

personally appeared Susan Elizabeth Morton, 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 [signature]

SHARON SALVADOR
Commission # 1869258
Notary Public - California
Lake County
My Comm. Expires Nov 21, 2013

(Seal)

2010-28352-5

2010-28351-42
Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder
Recorded by FIDELITY NATIONAL TITLE CO.
Rec Fee 136.00
Clerk: MM Total: 136.00
Dec 20, 2010 at 15:06

RECORDING REQUESTED BY:

City of Arcata

WHEN RECORDED MAIL TO:

City Clerk
City of Arcata
736 F Street
Arcata, CA 95521

APN 503-224-046

REGULATORY AGREEMENT

THE CITY OF ARCATA

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
HCD HOME LOAN NUMBER 06-HOME PI-MFP-001
SANDPIPER MOBILE HOME PARK

THIS REGULATORY AGREEMENT (the "Agreement") is made and entered into this 1ST day of October, 2010, by and among, Resident Owned Parks, a California nonprofit public benefit corporation (the "Borrower"), and the City of Arcata (the "City"), a municipal corporation of the State of California.

Recitals

A. The Borrower is the owner of a fee estate in real property located at 115 G Street (APN 503-224-046), in the City of Arcata, California, more fully described in Exhibit A attached hereto and incorporated herein (the "Property").

B. The Borrower has proposed to rehabilitate, and manage the Property by constructing thereon improvements to a mobile home rental park, commonly known as the Sandpiper Mobile Home Park, consisting of 18 manufactured homes and two efficiency apartments (the "Development"). The total number of units after rehabilitation will be 20, 18 of which are manufactured homes, and two efficiency apartments. The Sand Piper Mobile Home Park holds Permit # 12-0041-MP issued by the California Department of Housing and Community Development.

C. The City and the Arcata Community Development Agency previously provided loan financing to Borrower to assist in the acquisition and rehabilitation of a mobile home rental park, commonly known as the Sandpiper Mobile Home Park, located on the Property. Said loan consisted of $318,400 total, $279,000 from the City's Home Investment Partnership (HOME) Program Income, and $39,400 from the Agency's 20% housing set-aside fund (collectively, the "First Loan"), intended to be used to assist in the acquisition of the Property and rehabilitation of 21 affordable housing units, of which ten units were to be occupied by moderate income households, seven by low income households and four by very low income households.

D. The First Loan was evidenced by a loan agreement entered into between the City and Borrower dated November 21, 2006, and a promissory note dated March 8, 2007, secured by deed of trust

(1)

recorded against the Property as instrument number 2007-8126-20. The City and Borrower entered into a regulatory agreement to place rent and occupancy restrictions on the proposed 21 housing units, recorded as instrument number 2007-8124-30 ("Prior Regulatory Agreement").

E. Since acquisition of the Property, Borrower completed a needs assessment for the Sand Piper Mobile Home Park and identified the need for extensive repairs to the park infrastructure and buildings in excess of the amounts previously loaned by the City and Agency for park improvements and additionally determined a more appropriate design layout for the Park, resulting in a total of 20 units consisting of 18 manufactured homes and two efficiency apartments rather than the initially anticipated 20 units of manufactured homes and one wood frame apartment ("Improvement Project"). Of the newly proposed 20 units, nine will be occupied by moderate-income households, seven by low-income households and four by very low-income households.

F. The City and Agency have agreed to provide additional loan financing to Borrower in the total amount of $865,932 for the continued improvement and rehabilitation of the Sand Piper Mobile Home Park, utilizing $400,470 from the City's Home Investment Partnerships Program (the "HOME Program") Income and $465,462 from the Arcata Community Development Agency 20% housing set-aside fund. The Loan will be provided to Borrower by the City in accordance with 42 USC 12741 et seq., 24 CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code of Regulations, Sections 8200 through 8220, (together, the "HOME Regulations") and California Health and Safety Code Sections 33000 et seq (together the "Redevelopment Law").

G. The City has completed an underwriting analysis and submitted the required "Set-up" documentation to the State Department of Housing and Community Development ("HCD") in accordance with the HOME Regulations. Disbursement of loan funds is contingent upon the receipt of written authorization from HCD to expend the HOME Program Income Funds on the Sandpiper Mobile Home Park Acquisition and Rehabilitation affordable housing project.

H. The proceeds of the Loan shall be disbursed, used and governed by the HOME Program Income Set-up documents, HOME Program Regulations, a Loan Agreement by and between the City of Arcata and Borrower (herein the "Loan Agreement"), promissory notes executed by Borrower ("Agency Note" and "City Note"), and deeds of trust with assignment of rents ("Agency Deed of Trust" and City Deed of Trust") executed by Borrower in favor of the City.

I. Borrower agrees to abide by all provisions of the current HOME Program Grant Management Manual, a copy of which is on file with the City of Arcata Department of Community Development, the Loan Agreement, Note and Deed of Trust.

J. At the time of initial assistance through the First Loan, the Property had substandard recreational vehicles on site that did not meet the HUD definition of permanent housing. The City issued General Information Notices as required by the Uniform Relocation Act (URA) to all tenants upon initial investment of HOME funds through the First Loan. The General Information Notice outlined tenants' relocation rights. Over the course of three years all of the tenants except three have voluntarily moved. The remaining three tenants have been relocated to a comparable location, and the City paid relocation costs to three tenants and insured that rent did not increase above the previous rent levels as required by the URA. As of the date of this Agreement the Property is vacant and has no operating income. Due to delays that are beyond the control of Borrower and City, including the Coastal Development Permit, site layout approvals from Housing and Community Development, and approval of the project set-up by the State HOME

Program, debt payments and other operational expenses must still be met while the Property is vacant. City must advance funds to the Operating Reserve to cover the debt and operational expenses in order to avoid foreclosure of the property.

K. As further consideration for the Loan and in furtherance of the purposes of the HOME Program and Agency Affordable Housing Program, Borrower has agreed to enter into this Regulatory Agreement. The purpose of this Regulatory Agreement is to regulate and restrict occupancy, rents, operations, ownership and management of the Development in compliance with the requirements of the HOME Program and Agency Affordable Housing Program. This Agreement is not to be construed as altering any zoning, building or other regulations of the City, nor is this Agreement to be considered a development agreement.

L. The Loan Agreement, Notes and Deeds of Trust, including all exhibits and attachments thereto, are fully incorporated by reference into this Agreement. In the event of any inconsistencies between the terms set forth in the Loan Agreement, Notes or Deeds of Trust and the terms of this Regulatory Agreement, the terms of this Regulatory Agreement shall prevail.

M. Upon execution of this Regulatory Agreement and the Loan Documents, the City shall release the Property from the Prior Regulatory Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Recitals. The foregoing recitals are a material part of this Agreement.

2. Property. The Development will be located on the Property.

3. Definitions. Unless specifically defined in this Agreement or the context requires otherwise, the terms used in this Agreement shall be governed by the definitions set forth in 24 CFR Part 92, and 25 Cal. Code of Regulations section 8201. All references to code sections refer to Title 25 of the California Code of Regulations. All capitalized terms not otherwise defined in this Regulatory Agreement shall have the meaning set forth in the Loan Agreement. In addition, as used in this Agreement, the following terms will have the following meanings:

   a. "Affordable Rent" means those rents as defined in Exhibit C, which shall be subject to annual revision. Affordable Rent shall not exceed the following appropriate maximum:

      1) For Moderate-Income Households: In accordance with California Health and Safety Code section 50053, Affordable Rent, including a reasonable Utility Allowance, shall not exceed the product of 30% times 110 percent of the area median income adjusted for family size appropriate for the unit;

      2) For Low-Income Households: The lesser of the Fair Market Rents or a rent that does not exceed thirty percent (30%) of sixty five percent (65%) of the area median income (as per 24 CFR 92.252); or

      3) For Very-Low Income Households: Thirty percent (30%) of fifty percent (50%) of the area median income (as per 24 CFR 92.252).

b. "Assisted Unit" means a dwelling unit or Manufactured Home rental space, the rehabilitation or construction of which was assisted with proceeds of the Loan.

c. "Eligible Households" means Moderate-Income Households, Low-Income Households or Very Low-Income Households as defined by the HCD for Humboldt County.

d. "Fiscal Integrity" means that the total of Operating Income plus funds released pursuant to this Agreement from the Operating Reserve Account is sufficient to:

1) Pay all current Operating Expenses;

2) Pay all current approved debt service; and

3) Fully fund for at least twelve consecutive months all reserves established pursuant to this Agreement.

The ability to pay any or all of the annual permitted Residual Receipts and Distributions as outlined in Section 21 shall not be considered in determining Fiscal Integrity.

e. "Initial Operating Year" means the first year of operations, or portion thereof, of the Development beginning at the time of initial occupancy of any unit in the Development and ending on the last day of the fiscal year for that first year.

f. "Low-Income Household" means persons or families whose incomes are less than eighty percent (80%) of the area median income as determined by the HUD.

g. "Manufactured Home" means any type of non motorized manufactured housing unit that was built after 1976 that meets the definition in 24 CFR 3280 and is connected to permanent electric, water, sewer, and natural gas utility hook-ups. The City and/or Agency may authorize alternative housing units as long as the units comply with 24 CFR 3280.

h. "Moderate Income Household" means persons and families whose income does not exceed one hundred twenty percent (120%) of the area median income as determined by HUD.

i. "Notice of Completion" means the determination by the City of Arcata Community Development Department that all permit conditions and conditions of approval for the Development have been satisfied, and issuance of written confirmation thereof.

j. "Operating Expenses" means the amount approved by the City that is necessary to pay for the essential recurring expenses of the Development, including, but not limited to, utilities, maintenance, management, taxes, licenses, and mandatory direct or supportive tenant services but not including debt service, required reserve account deposits, or costs for voluntary direct or supportive tenant services.

k. "Operating Income" means all income generated in connection with operation of the rental housing Development including rental income from Assisted Units and non-

assisted units, rental income from nonresidential space, laundry or equipment rental fees, rental subsidy payments, and interest on any accounts related to the rental housing Development. "Operating Income" does not include tenant security and equipment deposits, payments received from voluntary direct or supportive tenant services, or tax benefits received by the sponsor.

l. "Rent" means all charges, other than deposits, paid by the tenant for the use and occupancy of an Assisted 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 HUD.

m. "Residual Receipts" means project funds remaining after payment of expenses as described in Section 20.

n. "Utility Allowance" means the rent allowance for approved utility services for each Assisted Unit as determined and published annually by the Eureka Housing Authority, or successor organization responsible for establishing such rates for the Assisted Units.

o. "Very Low-Income Household" means low-income persons or families whose incomes are fifty percent (50%) or less of the area median income as determined by HUD.

4. Compliance With Program Requirements

a. The Borrower agrees that at all times its acts regarding the Development and the use of funds provided herein shall be in conformity with all provisions of the HOME Program including the statutes, the HOME Regulations and such policies and procedures of the HCD and of HUD pertaining thereto. The Borrower acknowledges that it is familiar with such applicable provisions and has been professionally advised to the extent necessary for the purpose of enabling the Borrower to fully comply with such provisions.

b. The financial assistance provided under the HOME Program is governed by 24 CFR Part 92. With respect to the assistance, Borrower agrees to comply with all requirements and obligations as described in 24 CFR Part 92, as well as all provisions governing the use of HOME funds. Borrower agrees to comply with the directives of the City as necessary to ensure compliance with the obligations of the City as set forth in its agreements with HUD regarding the use of HOME funds.

5. Term of Agreement The term of this Agreement shall commence upon the effective date of the Agreement written above and remain in full force and effect and shall apply to the Development through and including the date which is fifty-five (55) years from the date of Notice of Completion for the Development regardless of any prepayment of the Loan or sale, assignment, transfer or conveyance of the Development, unless terminated earlier by the City pursuant to the terms of this Agreement or extended by the mutual consent of the parties thereto. This Agreement shall run with and burden the Property and on terms, conditions, exceptions, obligations, reservations and restrictions hereby imposed, shall be deemed covenants and restrictions running with the land, and shall be effective limitations on the use of the Property from the date of recordation of this document and shall bind the Borrower and all its successors in interest and assigns.

6. Tenant Selection Standards, Assisted Unit Schedule. Upon occupancy following the completion of rehabilitation, the Borrower shall rent Assisted Units only in accordance with the schedule set forth in Table 1 of Exhibit C. At all times of full occupancy, four (4) units **must** be rented to Very Low-Income households and seven (7) units **must** be rented to Low-Income Households. Borrower shall rent Assisted Units in the Development only to Eligible Households in accordance with the Management Plan.

7. Management Plan. No later than thirty (30) days after the execution of this Agreement, Borrower shall submit to the City a plan for the management and tenant selection procedures for the Development ("Management Plan") for review and approval. The City shall keep the Management Plan on file. In conjunction with the review of the Annual Operating Budget pursuant to Section 18, the Management Plan may be reviewed and revised at the request of the City or the Borrower and such revision must be submitted to and approved by the City prior to use. Borrower shall rent Assisted Units in the Development only to Eligible Households in accordance with the Management Plan. The Management Plan shall among other things contain the following information:

   a. Detail of actions to be taken by Borrower to affirmatively market vacant units in a manner which ensures equal access to all persons in any category protected by federal, state or local laws governing discrimination, and regardless of any arbitrary factor;

   b. Specify reasonable criteria for determination of tenant eligibility, including household size in accordance with the minimum occupancy standard specified in the HOME Regulations;

   c. Require that eligible tenants be selected based on order of applications, lottery, or other reasonable method approved by the City;

   d. Specify procedures through which tenant applicants deemed to be ineligible shall be notified of the reason for their ineligibility and may appeal this determination;

   e. Require maintenance of a waiting list of eligible applicants;

   f. Specify procedures for obtaining information regarding prospective tenants' incomes as necessary to certify that such income does not exceed the lower or very low-income limit;

   g. Specify the utility services subject to the Utility Allowance;

   h. Identify methods for achieving the rent schedule as set forth in Exhibit C and maintaining the required household income balance for all units of the Development in a ratio of twenty percent (20%) Very-Low Income (4 units), thirty-five percent (35%) Low-Income (7 units) and forty-five percent (45%) moderate Income (9 units);

   i. List the annual dates on which each report, audit or other monitoring document is required to be delivered to the City.

8. Nondiscrimination. Borrower shall not discriminate against any tenant or prospective tenant on the basis of race, religion, sex, age, disability, marital status, nor any other arbitrary factor in violation of any state, federal or local law governing discrimination in rental housing. Housing which is intended to benefit, and is therefore limited to senior citizens, is permitted only with the prior approval of the selection criteria by the City.

9. Rental Agreement and Occupancy Procedures (the "Lease").

   a. Each Eligible Household selected to occupy a unit in the Development shall enter into a written rental agreement with the Borrower on a form approved by the City containing such provisions as are required by the HOME Regulations. The Lease shall be for a term of not less than six months.

   b. 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 the Borrower or Borrower's Agent in a lawsuit brought in connection with the lease;

      2) Agreement by the tenant that the Borrower 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, does 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. The Borrower may dispose of this personal property in accordance with state law;

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

      4) Agreement of the tenant that the Borrower or Borrower's Agent may institute a lawsuit without notice to the tenant;

      5) Agreement by the tenant that the Borrower or Borrower'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.

   c. The Borrower shall provide to tenants:

1) A notice of eligibility to form a Homeowners Association, informing the tenant that the Homeowners Association shall be eligible to purchase the Sandpiper Mobile Home Park from Resident Owned Parks after thirty (30) years from the date of this Regulatory Agreement. The Notice shall define the sales price to the Homeowners Association as the remaining principal and interest owed on the City Loan and other debt specifically authorized by the City.

2) A notice of Manufactured Home sale and/or purchase requirements including the following information:

   i. That all Assisted Units must satisfy a minimum property standards inspection performed by a qualified person in accordance with per 24 CFR Part 251 (a)(1).

   ii. That all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt state and local codes covering the same aspects of performance for such housing per 24 CFR Part 251 (1)(4).

   iii. That before the transfer of ownership interest, an inspection must be completed for health and safety and the tenant must notify prospective purchasers of the work needed to cure the defects and the applicable standards per 24 CFR Part 251 (b) (1).

   iv. Said notice shall additionally include a copy of the HUD form 52580 Inspection Checklist, or other approved checklist.

3) A notice specifying the procedures should a homeowner wish to sell his or her home, which procedures shall require that the homeowner notify ROP at least 60 days prior to placing their home on the market; that during this 60-day period ROP will order a housing condition survey to be prepared by a qualified independent inspector who shall utilize the HUD form 5280 Inspection Checklist or other approved checklist according to the standards outlined in 24 CFR Part 251 (a)(1); and that as required under California Civil Code Section 798.73.5, the homeowner will be required to repair all deficiencies identified in the inspection report. The inspection will be completed at ROP's expense. ROP may be reimbursed for the inspection expense from the new tenant after required repairs are completed and the home is sold or transferred, prior to execution of a new lease.

d. The Borrower shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and the HOME Regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any change shall become effective after giving written notice thereof to each household and following the requirements of State law.

e. The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME Program funds except for serious or repeated violation of the terms and conditions of the Lease; for violation of tenancy period; or for other good cause pursuant to existing State law. Any termination or refusal to renew a

Lease shall be by the owner's service upon the tenant of a written notice in compliance with State law and specifying the grounds for the action.

f. The Borrower shall maintain the common area premises and efficiency apartments in compliance with all applicable housing quality standards and local code requirements.

g. Borrower shall provide each eligible homeowner selected to occupy a Manufactured Home space in the Development with an option to lease the site for a term of up to thirty (30) years.

h. All Manufactured Homes moved into a rental space after rehabilitation is complete must be newly constructed Manufactured Homes, and must satisfy the definition at Section 3(g) of this Regulatory Agreement. Manufactured Homes must be placed facing the outer streets or access roads of the mobile home park and must have a front porch, and a roof pitch in the range of 3 to 11 through 6 to 12.

10. Rent.

a. For all Assisted Units, Rent shall not exceed Affordable Rent less a Utility Allowance.

b. Twenty percent (20%) of all Assisted Units (4 units total) shall be occupied by Very Low-Income Households, thirty-five percent (35%) of all Assisted Units (7 units total) shall be occupied by Low-Income Households, and forty-five percent (45%) of all Assisted Units (9 units total) shall be occupied by Moderate Income Households.

c. Each year following rehabilitation and not before, rent for an Assisted Unit may be increased by an annual amount not greater than the percentage increase in median income for the area in which the rental housing development is located. Rent may be adjusted only one time in any calendar year and increases must not exceed 2.5% in any one-year period except as provided in Section 12.

d. In every case of proposed rent increase, the tenant(s) affected by such increase shall receive written notice of the amount of the increase at least 90 days prior to the effective date of such increase.

e. All rental spaces will be rented to Manufactured Homes meeting the definition at Section (3)(g) of this Regulatory Agreement.

f. All Manufactured Homes moved into a rental space after rehabilitation is complete must be newly constructed Manufactured Homes and meet the code requirements in 24 CFR 3280. Manufactured homes moved into a space after rehabilitation may remain on-site if the Manufactured Home continues to meet the code requirements in 24 CFR 3280 with approved HUD form 52580 Inspection Checklist, and continues to meet the definition at Section (3)(g) of this Regulatory Agreement.

g. All existing housing units on-site after rehabilitation shall be connected to permanent electric, water, sewer, and natural gas utility hook-ups.

11. Security Deposits.

a. Security deposits shall be required of tenants only in accordance with State law and this Agreement.

12. Certification of Tenant Income and Household Size.

a. The income and household size of all households occupying Assisted Units shall be certified by the Borrower prior to occupancy and re-certified annually thereafter in a manner approved by the City and specified in the Development's Management Plan.

b. Where a household occupying a unit designated for occupancy by a Very Low-Income Household no longer qualifies at the time of re-certification, but qualifies as an otherwise income eligible Low Income or Moderate Income Household, the rents appropriated for that income level shall be charged.

c. If the income of a tenant upon re-certification exceeds the upper limit for Moderate-Income Households, and there are no other requirements statutorily imposed by another federal or State funding source, that tenant shall not have its Lease terminated as a result thereof, but shall be charged Rents at the Market Rate as defined by HCD.

d. If the reclassification of the unit makes the project temporarily out of compliance with the unit mix as outlined in Section 10, the Borrower shall rent the next available unit to at the appropriate rent level to make the project in compliance with Section 10.

e. The tenant shall occupy the Assisted Unit as the tenant's principal place of residence defined as living in the Unit for at least ten (10) months out of each calendar year. On or before February 1 of each calendar year, the Borrower shall require the tenants to provide an annual written Certification to the City in the form shown in Exhibit E that the tenant is occupying the Unit as his or her principal place of residence, and that tenant is not subleasing or renting the Unit or space to another party.

f. The tenant shall not rent or lease the Unit or space to another party, unless such rental or lease is first approved in writing by the Borrower. The Borrower shall approve the renting or leasing of the Unit or space only if all of the following conditions are met: (1) the term of the rental or lease is not greater than twelve (12) months and cannot be extended without City approval; (2) the Borrower demonstrates to the City's reasonable satisfaction that the tenant will incur substantial hardship if he or she is not permitted to rent or lease the Unit or space to a third party; (3) the tenant qualifies as an Income Eligible Household, as certified to the City, and (4) the rent for the Unit or space does not exceed rent determined by the City to be affordable to an Income Eligible Household. Any rental or lease of the Unit or space in violation of this Agreement is prohibited, and shall be a default under this Agreement. The Borrower further agrees to notify tenants that, in the event the tenant rents or leases the Unit to a third party in violation of this Section, any excess rents ("Excess Rental Proceeds") paid to the tenant by the lessee over the Affordable Rent shall be due and payable to the Borrower immediately upon receipt thereof by the Borrower or tenant. Such Excess

Rental Proceeds shall not be considered Operating Income and shall be utilized as partial payment on the City's Note.

13. Assisted Unit Substitutions.

a. If, upon re-certification, the income of a household occupying an Assisted Unit reserved for occupancy by Moderate Income Households exceeds the upper limit for Moderate income, the Borrower may designate this household's unit as non-assisted, provided that all of the following conditions are satisfied:

1) No later than the date the Borrower designates the unit as non-assisted, the Borrower also makes available a comparable vacant unit previously designated as non-assisted to be designated as an Assisted Unit, or designates a previously non-assisted unit occupied by a Moderate-Income Household as an Assisted Unit, or agrees to occupy the next available unit with a Moderate-Income Household; and

2) The rent charged for the newly designated Assisted Unit will not exceed the applicable Affordable Rent.

b. Where a household occupying an Assisted Unit reserved for occupancy by Very Low-Income or Low Income Households no longer qualifies as Very Low-Income or Low Income Household at the time of re-certification, but qualifies as a Low-Income or Moderate Income Household, the following shall apply:

1) Borrower shall designate the unit as an assisted unit for Low-Income or Moderate-Income Households:

2) Borrower may increase the household's Rent to the Low Income Rent or Moderate Income Rent;

3) Borrower shall designate the next available comparable Assisted Unit reserved for Moderate or Low-Income Households as an Assisted Unit reserved for Low or Very Low-Income Households as necessary to maintain the unit mix as outlined in Section 10; and

4) The Rent charged for the newly designated Assisted Unit reserved for Very Low-Income Households shall not exceed the applicable Affordable Rent.

14. Maintenance and Management.

a. Borrower is specifically responsible for all maintenance, repair, and management functions for the Development, including without limitation, selection of tenants, re-certification of household income and size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower shall maintain all units, common areas, and property owned by Borrower in a safe and sanitary manner in accordance with local health, building, and housing codes, HUD housing quality standards pursuant to 24 CFR Section 882.109, and the Management Plan described in Section 7 of this Agreement.

b. Borrower, ROP, shall be the property management agent for this project. ROP shall not transfer said management obligation to or contract with any other person or entity for the performance of the services or duties required in paragraph (a) without the prior written approval and consent of the City. Any such contract for management services will not relieve the Borrower of responsibility for proper performance of these duties. Any such agent to be used for the management functions of the Development as identified in Section 14(a) shall have a minimum of five (5) years' experience managing affordable housing apartments utilizing HOME Regulations and tax credit regulations in Humboldt County, or equivalent experience as deemed appropriate by the City and shall have a principal place of business in Humboldt County. If no such local entity exists or is available to act as management agent for Borrower, Borrower may seek approval from the City to use an alternate management agent from outside the county. Such contract shall contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty days' (30) notice. Upon a determination by the City, and notice to the Borrower thereof, that the management agent has failed to operate the Development in accordance with this Agreement, the Borrower shall exercise such right of termination forthwith and shall make immediate arrangements, which shall be subject to City approval, for continuing performance of the requirements of this Agreement.

c. Upon a determination by the City, and notice to the Borrower thereof, that the Borrower as management agent has failed to operate the Development in accordance with this Agreement, the Borrower shall be given thirty (30) days to address and correct the concerns of the City with respect to Borrower's property management function. If said concerns have not been addressed or corrected within said thirty (30) days, the City may require the Borrower to contract with a management agent to operate the Development, or to make such other arrangements as the City deems necessary to ensure performance of the requirements of this Agreement.

15. Hazard and Liability Insurance.

a. The Borrower shall at all times keep the Development insured against loss by fire, flood (as required pursuant to 24 CFR 92.358), and such other hazards, causalities, liabilities and contingencies, and in such amounts and for such periods as set forth in Exhibit D. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the City. Property insurance policies shall name the City as an additional loss payee and liability insurance policies shall name the City as additionally insured, on forms as approved by the City.

b. Insurance proceeds and condemnation awards for any loss to or taking of the Development, or any portion thereof, shall be applied or utilized by Borrower as provided in the Deed of Trust executed by Borrower and referred to in the Recitals hereof.

16. Annual Report. No later than April 1 following the end of the Fiscal Year, Borrower shall file with the City an annual report ("Annual Report"), as required by 24 CFR part 92, 25 Cal. Code of Regulations, Section 8218(a)(2) and monitoring and reporting chapters of the

current HOME Program Grant Management Manual. The City shall have 60 days from receipt of the Annual Report to approve such Annual Report, or to request modifications or additional information as required by this Agreement. The Annual Report shall contain a certification by the Borrower as to such information as the City may then require including, but not limited to the following:

a. The fiscal condition of the Development, including a financial statement for the previous Fiscal Year that includes a balance sheet and a profit and loss statement indicating any surplus or deficit in the Operating Account, Replacement Reserve Account and Operating Reserve Account; a detailed itemized listing of income and expenses; the amounts of any fiscal reserves, security deposits, and the total amount of Residual Receipts and payments and distributions therefrom. Such financial statement shall be prepared in accordance with the requirements of the City. At Borrower's expense, Borrower shall have an audit of said financial statement conducted each year by an independent certified public accountant acceptable to the City or other person designed by the City. Borrower shall provide a copy of all audit documents, and correspondence per tax credit process to the City no later than April 1 of the following Fiscal Year.

b. The substantial physical defects in the Project, including a description of any major repair or maintenance work undertaken or needed in the previous and current Fiscal Years. Such statement shall describe what steps the Borrower has taken in order to maintain the Development in a safe and sanitary condition in accordance with applicable housing and building codes.

c. The occupancy of the Development indicating:

   1) The verified income of each current household; and

   2) The current rents charged each household and whether these rents include utilities.

d. General management performance, including tenant relations and other relevant information.

e. A summary of the information received from the re-certification of tenants' incomes.

f. Evidence of a currently paid hazard and flood insurance policy, with loss payable to the City in the amounts specified in Exhibit D.

g. Evidence of a currently paid liability insurance policy, naming the City as an additional loss payee in the amounts specified in D.

h. The Sandpiper Mobile Home Park Construction and Operational Calculations, as updated for each fiscal year, the Initial Year of which is attached as Exhibit B. The Sandpiper Mobile Home Park Construction and Operational Calculations shall be submitted in the same format as in said Exhibit B, unless changes to the format are approved in advance by the City.

i. A police log and an eviction log (i.e. to compare the number of police calls to a particular unit prior to eviction, if any). This information shall be used to evaluate the effectiveness of the Security Plan and revisions to the Security Plan shall be made as needed.

j. Other information reasonably required by the City.

17. City Review and Inspections.

a. Upon not less than 48 hours' notice to the Borrower, the City or its designee may, at any time during the term of the Loan, enter and inspect the physical premises and inspect all accounting records pertaining to the construction or operation of the Development. Upon request by the City, the Borrower shall notify occupants of upcoming inspections of their units in accordance with State Law. Borrower and City acknowledge that the financial records are maintained by Borrower at its corporate offices in Sacramento. City agrees to notify Borrower in advance if City wishes Borrower to provide financial records to the City for review in Arcata, and Borrower shall make said records available for review in Arcata within fourteen (14) days of the City's request.

b. The City may perform or cause to be performed audits of any and all phases of the Borrower's activities related to the Development. At the City's request, the Borrower shall provide, at Borrower's own expense, an audit of the financial condition of the project certified by an independent certified public accountant. City and Borrower acknowledge that audits are expensive to produce, and $5,000 in audit costs has been placed into Exhibit B, Operating Expenses.

c. The City may request any other information that it deems necessary to monitor compliance with requirements set forth in this Agreement and the Standard Agreement. The Borrower shall promptly provide such information.

18. Annual Operating Budget.

a. The fiscal year for the Development shall commence on January 1 and conclude on December 31 ("Fiscal Year").

b. No later than November 1 prior to the beginning of a Fiscal Year, the Borrower shall submit to the City a proposed annual operating budget on a form provided by the City ("Annual Operating Budget"). The proposed Annual Operating Budget shall maintain the same format and budgetary line items as established in the Initial Year Operating Budget, unless specific changes are approved in advance by the City. The total operating expenses in the Annual Operating Budget shall not exceed $300.00 per unit per month or other amount as specified in the current HOME Program underwriting guidelines, unless approved in advance by the City after review of sufficient justification thereof. Annual Operating Budgets and rent adjustments are subject to written approval by the City. The Annual Operating Budget shall include a line item allocating sufficient funds to the full implementation of the Management Plan.

c. Increases of up to the greater of three and one half percent (3.5%) or the CPI adjustment, using the index described in Section 18(c), in any line item of the Annual Operating Budget shall be deemed approved by the City, provided that the total operating expenses in the Annual Operating Budget do not exceed the maximum amount per unit allowed in Section 18(a). Borrower shall operate the Development in accordance with the approved Annual Operating Budget.

d. Annual rent adjustments are subject to written approval by the City. For the projects approved by the City using High HOME rents, rent increases that do not exceed the upper limits for High HOME rents less a Utility Allowance shall be deemed approved by the City. For projects approved by the City using Low HOME rents less a utility allowance, rent increases that do not exceed the upper limits for low HOME rents shall be deemed approved by the City. For projects approved by the City using rents below Low HOME rents, rent increases, which do not exceed the most, recently published annual Labor Statistics Consumer Price Index, Residential Rent for All Urban Consumers for the West annual (CPI) shall be deemed approved by the City. In the event this particular CPI index is no longer published, the City shall select a similar index for this purpose.

e. The Annual Operating Budget for the initial year of the Development's operation ("Initial Year Annual Operating Budget") shall show all anticipated income, debt service and expenses for management, operations, reserves and maintenance for the first fiscal year or portion thereof following initial occupancy. Said Initial Year Annual Operating Budget is hereby approved by the City to be that as depicted in Table 2 of Exhibit B. Borrower shall operate the Development in accordance with the Initial Year Annual Operating Budget depicted in Table 2 of said Exhibit C.

f. Cash Shortfall During Construction. Cash shortfall for operational expenses prior to and during construction and until the units are fully rented shall be payable from the Operating Reserves and Developer Fee disbursements in accordance with Section 2(d) of the Loan Agreement.

19. Required Reserves.

a. Replacement Reserve Account:

1) Upon reaching 75% occupancy (15 rented or leased units) or eighteen (18) months from the Notice of Completion, whichever occurs first, the Borrower shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally insured financial institution ("Replacement Reserve Account") and fully fund an amount equal to eighteen months deposits to the Replacement Reserve. Beginning on the nineteenth (19) month, Borrower shall make monthly deposits from Operating Income to the Replacement Reserve Account in a minimum amount of $19.30 per unit ($386 total monthly) which represents the minimum amount determined by the City necessary to establish an adequate reserve account for future capital improvements, as specified. This amount is equal to 0.6 percent of the estimated per unit cost of Development structure construction, or: 0.006 multiplied by $772,000 divided by 20 units divided

by 12 months. The City may review the adequacy of these monthly deposits on an annual basis, and require adjustments, as it deems necessary. The City shall disburse the total initial Replacement Reserve amount of $4,632 to Borrower for deposit into the Replacement Reserve Account at the time Borrower first becomes obligated to establish the Replacement Reserve Account as set out in this subsection. Until such time as the units are fully occupied, the City shall disburse required Replacement Reserve Account monthly deposit amounts, if any, to Borrower from the Developer Fee for deposit into the Replacement Reserve Account.

2) Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Development that are reasonably required to preserve the Development. Borrower may withdraw, for a qualifying maintenance improvement, from the Replacement Reserve Account up to Five Thousand Dollars ($5,000.00) per Fiscal Year or any amount included in the Annual Operation Budget for the Fiscal Year of the withdrawal without advance written approval from the City. All other withdrawals from the Replacement Reserve Account must be approved in advance by the City.

3) If at any time the Replacement Reserve Account balance exceeds Eighty Thousand Dollars ($80,000.00), Borrower shall have an independent physical inspection of the Development, conducted by a City approved inspector and paid for from said account. Said inspection shall evaluate the condition of the Development and determine what capital improvements are required. A copy of the inspection report shall be delivered to the City. Based on the inspection report, Borrower shall develop and deliver a capital improvement work plan to the City within 30 days after the date of the inspection report. Failure of Borrower to make and complete approved capital improvements within one year after approval by the City of said work plan, will be deemed a default under this Agreement.

b. Operating Reserve Account:

1) Borrower shall establish the Operating Reserve Account in the amount of Thirty-Two Thousand Two-Hundred Twenty-Eight Dollars ($32,228.00) which shall be funded through City disbursements in this amount per Section 18(f) of this Agreement, as provided in Exhibit B. Whenever the account balance falls below said amount, upon full occupancy, Borrower shall make monthly deposits from project income to the Operating Reserve Account in the amount of a minimum of three percent (3 %) of the annual operating expenses minus the annual replacement and operating reserve account deposits, which represents the minimum amount determined by the City as necessary for specified shortfalls.

2) Borrower shall transfer funds from the Operating Reserve Account only to alleviate cash shortages resulting from utility costs, vacancies greater than five percent (5%) of the total Development rental capacity, and seasonal fluctuations in or from month to month. The City shall approve or disapprove a request for withdrawal from the Operating Reserve Account within 60 days of receipt of a written request. A written withdrawal request that is not disapproved with in 60 days of receipt

shall be deemed approved. If the Operating Reserve Account reaches a balance equal to or greater than an amount equivalent to twelve months gross income for the Development, the City may approve a reduction in payments to the Operating Reserve Account to an amount necessary to maintain the account balance at this level.

20. Use of Income from Operations.

a. The Borrower, or Borrower's management agent, shall promptly deposit all Operating Income in a segregated account established exclusively for the Development with an F.D.I.C. or other comparable federally-insured financial institution.

b. Withdrawals from said account shall be made only in accordance with the provisions of this Agreement and the approved budget, and shall be disbursed, applied, or reserved and set aside for payment when due for all costs related to the Development including, but to limited to, the following:

1) Salaries, wages, and any other compensation due and payable to the employees or agents of the Borrower or management agent employed on site in connection with the maintenance, administration or operation of the Development, along with all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required in connection with such employees;

2) All charges incurred in the operation of the Development in connection with utilities, real estate taxes and assessments, and liability, fire and other hazard insurance;

3) Payments of required interest, principal, impounds, fees and charges, if any, on loans other than the loans which are secured by liens on the Property and which have been approved by the City;

4) All other expenses incurred to cover operating costs, including the allowed fee for the management agent, in accordance with the approved Annual Operating Budget of the Development or as otherwise approved in advance by the City in accordance with Section 18 of this Agreement; and

5) Deposits to Operating and Replacement Reserve Accounts.

6) Payment of non-City debt service as follows:

i. First, payment of permanent financing obligations as approved by the City prior to closing of the permanent financing

7) Payment of Deferred Developer Fee.

c. The balance of Operating Income remaining after the payments described in Section 20(b) above shall be deemed "Residual Receipts" to be paid and applied as provided in Section 21 below.

21. Residual Receipts and Distributions.

a. Payment of Agency and City Debt Service: Prior to any distributions from the Residual Receipts, fifty percent (50%) of the Residual Receipts shall be applied to payments on the Agency and City Loans as required by, and subject to the provisions of, the Notes. Borrower shall make payments as required by the Notes and Loan Agreement no later than April 15 of each year, beginning in 2011. Residual Receipt payments shall be applied first to pay outstanding interest and then principal of the City portion of the Loan, and after said City debt on the Loan is fully paid, then to pay outstanding interest and then principal of the Agency portion of the Loan.

b. Distribution of Remainder: After making payment of the Agency portion of the Loan, the remaining 50 percent (50%) of the Residual Receipts shall be available to be distributed to, or retained by, the Borrower to pay asset management fees or other compensation to Borrower.

c. Borrower shall receive Distributions only once for each fiscal year of the Development and only: (1) upon approval by the City of the Annual Report submitted for that year, and (2) upon determination by the City that the Borrower is in compliance with this Agreement and all Program requirements.

d. No Distributions shall be made to Borrower in the following circumstances:

2) When written notice of default has been issued by any entity with an equitable or beneficial interest in the Development;

3) When the City determines that the Borrower or the Borrower's management agent has failed to comply with the City's written notice of any reasonable requirement for proper maintenance of the Development;

3) If all currently required debt service and operating expenses have not been paid; or

4) If the Replacement Reserve or Operating Reserve Accounts are not fully funded pursuant to this Agreement. Reserve accounts are not required to be funded until Property reaches 75% occupancy (15 rented or leased units) or eighteen (18) months from the Notice of Completion, whichever occurs first, and shall be initially funded from the proceeds of the loan as specified in the attached Sources and Uses Exhibit B and pursuant to Sections 19(a)(1) and 19(b)(1) of this Agreement.

22. Accounting Records. In a manner subject to City approval, Borrower shall maintain on an accrual basis a general ledger accounting system that is posted monthly and that accurately and fully shows all assets, liabilities, income and expenses of the Development. All records and books relating to this system, except the general ledger, shall be kept for a period of at least seven years and in such a manner as to ensure that the records are reasonably protected from destruction or tampering. The general ledger shall be kept permanently in such a manner as to ensure that it is reasonably protected from destruction or tampering.

All records shall be subject to City inspection and audit in Arcata, upon fourteen (14) days' advance written request for said inspection and audit.

23. Non-assisted Units and Common Areas.

a. Borrower shall establish and implement a rent structure for non-assisted residential units that ensures the Fiscal Integrity of the Development. Borrower shall estimate all income and expenses attributable to the non-assisted units in the Annual Operating Budget described in Section 18 herein, and shall report all income and expenses attributable to non-assisted units in the Annual Report described in Section 16 herein.

b. To the extent Borrower maintains and repairs Assisted and non-assisted units, said maintenance and repairs shall be made equally without regard to their designation as Assisted or non-assisted.

c. Tenant selection practices for non-assisted units shall comply with State and federal nondiscrimination laws.

d. The exterior walls, windows, lighting, walkways, mailboxes, landscaping, nonresidential space, and other common areas of the Development shall be safe, clean, well maintained, and in good working order.

e. Covenants, conditions and restrictions (CC&R's) to be recorded by Borrower against non-assisted units and common areas shall be approved in advance of recordation by the City.

24. Restrictions on Sale, Encumbrance, and Other Acts.

a. The Borrower shall not make any sale, encumbrance, hypothecations, assignment, refinancing, pledge, conveyance, or transfer in any other form of the Property or the Development or of any of its interest therein, except with the prior written approval of the City.

b. Other than routine maintenance, the Borrower shall not add to, remodel, remove, reconstruct, or demolish any part of the Development without the prior written approval of the City.

c. The Borrower shall not permit the use of the Development or Property for any purpose other than that permitted by this Agreement without the prior written approval of the City.

d. The Borrower shall not incur any liability or obligation in connection with the Development, other than for current operating, management and maintenance costs and for the indebtedness evidenced by the Note nor incur any liability, charge, assessment, or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrance on the Property or the Development, without the prior written approval of the City. The City may permit refinancing or additional financing secured by

the Development only to the extent necessary to maintain or improve the Development's Fiscal Integrity, improve financial condition, or to maintain affordable rents.

e. The Borrower shall not enter into any contract relating to rehabilitating or managing the Development, except as authorized by the City. Any management agreement entered into between Borrower and a management entity is subject to prior written approval by the City, and subject to the qualifications set out in Section 7.

f. Borrower shall not enter into any Lease for more than a single rental unit, ground lease of the Development or any interest therein without prior written approval of the City. The City may require that such lease allow for termination within 30 days upon request by the City.

g. The City may approve at the City's sole discretion, a sale, transfer or conveyance of the Property provided that all of the following conditions are met:

1) The existing Borrower is in compliance with this Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of the Agreement;

2) The successor-in-interest to the Borrower agrees to assume all obligations of the existing Borrower pursuant to this Agreement and the Program, and meets any requirements, which may be in existence for California Housing Development Organizations (CHDO's) under the applicable regulations. The parties acknowledge and understand that at the time the private senior debt is paid by Borrower, which debt has a thirty year term, Borrower intends to transfer ownership of the Property to a nonprofit corporation formed by the tenants of the Property.

3) The successor-in-interest demonstrates to the City's satisfaction that it can own and operate the Development in full compliance with all Program requirements; and

4) Terms of the sale, transfer or conveyance shall not threaten the City's security or the successor's ability to comply with all requirements of the HOME Program and this Agreement.

h. The City shall grant its approval for a sale, transfer or conveyance of the Property subject to such terms and conditions as may be necessary to preserve or establish the Fiscal Integrity of the Development and to ensure compliance with HOME Program requirements and this Agreement. Such conditions may include the deposit of sales proceeds, or a portion thereof, to maintain required reserves or to offset negative cash flow, the recapture of syndication proceeds or other funds or such other conditions as may be necessary to ensure compliance with the HOME Program requirements.

25. *THIS SECTION INTENTIONALLY LEFT BLANK*

26. Violation of Regulatory Agreement by Borrower.

a. In the event of a breach or violation of the provisions of this Agreement, the City may give written notice to the Borrower thereof by certified mail or any express delivery

service with a delivery receipt addressed to the Borrower at the address stated in this Agreement. If the breach or violation is not cured to the satisfaction of the City within the time period specified in the notice, which shall not be fewer than 30 days, the City may declare a default and may seek legal remedies including the following:

1) Collect all rents and income in connections with the operation of the Development and use the same and the reserve funds for the operation and maintenance of the Development.

2) Take possession of the Development and bring any action necessary to enforce any rights of the Borrower growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement until such time as the City, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement.

3) Apply to any court, State or federal, for specific performance of this Agreement or for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement or for such other relief as may be appropriate. It is agreed by the Borrower 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 that would provide adequate relief to the City, in light of the purposes of the Program, would be impossible to ascertain.

4) Subject to written authorization from lenders with a priority security interest in the Property and the Development, accelerate all amounts, including outstanding principal and interest, due under the 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. However, in the event of a nonmonetary breach which cannot reasonably be cured within the time period set forth in such notice, the Loan may not be accelerated hereunder if within said designated time period Borrower or Borrower's administrative limited partner has given written notice to City of Borrower's intention to cure said breach, has commenced to cure such breach and has diligently prosecuted and effected such cure which shall be completed no later than 60 days from the date notice of such breach is given.

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

b. 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 charge to the affected household.

c. The tenants of the Assisted Units shall be considered to be third-party beneficiaries of this Agreement, and shall have such rights and remedies to enforce the requirements of this Agreement as may be available to third-party beneficiaries under the law.

d. 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.

e. Notwithstanding anything to the contrary herein, any cure of any default or Event of Default made or tendered by the administrative limited partner of Borrower shall be deemed to made by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

27. Assignment of City Rights. The City retains the right at its sole discretion to assign all or part of its rights under this Agreement for the purpose of ensuring compliance and enforcement of Borrower's duties and obligations hereunder. In addition, the City may designate an agent to act on its behalf in monitoring compliance and enforcing the provisions hereof.

28. Amendment. This Agreement shall not be altered or amended except in writing, executed between or among all the parties.

29. Partial Invalidity. 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.

30. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in the office of interest, and assigns, provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior written approval of the City.

31. Recording Agreement. This Agreement, and all amendments thereto, shall be executed by each of the parties. This Agreement, or memorandum thereof, shall be recorded against the subject Property in the official records of the county in which the Development is situated.

32. Hold Harmless. Borrower and its successor in interest agree to indemnify, defend, and hold harmless the City and its respective agents, employees and officers from any and all claims, losses, liabilities or causes of action (including reasonable attorney's fees) arising from or in connection with Borrower's management, maintenance or operation of the Development.

33. 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 thereto or default hereunder.

34. 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 the intent of this Agreement.

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

36. Notice. Written notices and other written communications by and between the parties hereto shall be addressed as set forth below unless and until a party hereto has, in writing, communicated a different address to the other party hereto.

Borrower: Resident Owned Parks
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831
Attn.: Maurice Priest

City: City of Arcata
C/o City Manager
736 F Street
Arcata, CA 95521
Attn.: City Manager

With copy to:
Director,
Community Development Department
736 F. Street
Arcata, CA 95521

37. Attorneys' Fees. The prevailing party in any action to enforce this Agreement, including the residents of Assisted Units, shall be entitled to reasonable attorneys' fees as determined by the tier of fact in that forum.

38. Special Conditions. The parties acknowledge that there are no special conditions imposed.

39. Contract Administration. The City shall maintain authority over the Loan Documents through the City Manager or his designee. The City Manager shall have authority to issue interpretations, approvals, waivers, and amendments, relating to this Agreement that do not change the material terms of the Agreement. All other waivers or amendments shall require the written consent of the City Council. Approval by the City as required in this Agreement shall be approval by the City Manager, unless specifically stated otherwise.

40. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:
Exhibit A: Legal Description
Exhibit B: Sources and Uses Prior Loan and Rehabilitation Loan
Exhibit C: Sandpiper Operational Calculations
Exhibit D: Insurance Requirements
Exhibit E: Occupancy Certification

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

BORROWER:
Resident Owned Parks, Inc.
A California NonProfit Public Benefit Corporation

By:_____
Maurice A. Priest, President

CITY:

City of Arcata

By: _____

Randal J. Mendosa, City Manager

ACKNOWLEDGMENTS ATTACHED

ACKNOWLEDGMENT

State of California)
) ss
County of Humboldt)

On Oct. 4, 2010, before me, C. Coronado, a Notary Public, personally appeared Randal J. Mendosa, 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.

C. CORONADO
Commission # 1741881
Notary Public - California
Humboldt County
My Comm. Expires [illegible]

WITNESS my hand and official seal.

Signature _____

2010-28351-42

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ACKNOWLEDGMENT

State of California
County of Sacramento)

On 9/30/10 before me, Pamela Reed Thomas, Notary Public

personally appeared Maurice A. Priest,
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 Pamela Reed Thomas (Seal)

PAMELA REED THOMAS
COMM. # 1858469
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
COMM. EXPIRES JULY 20, 2013

2010-28351-42

(20)

EXHIBIT A

LEGAL DESCRIPTION

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

Exhibit B to Regulatory Agreement

SOURCES AND USES PRIOR LOAN AND REHABILITATION LOAN

Prior Loan:

	TOTAL PROJECT COSTS	CONSTRUCTION SOURCES (Prioritize by lien position)		
Development Budget		1 (Seller)	2 (Agency)	2 (HOME)
LAND COST/ACQUISITION				
Land Cost or Value	$818,000	$650,000	$0	$168,000
Demolition	$0	$0	$0	$0
Legal	$0	$0	$0	$0
Existing Improvements Value	$0	$0	$0	$0
Off-Site Improvements	$0	$0	$0	$0
Total Acquisition Cost	$818,000	$650,000	$0	$168,000
REHABILITATION				
Site Work	$50,000	$0	$39,400	$10,600
Structures	$0	$0	$0	$0
General Requirements	$0	$0	$0	$0
Contractor Overhead	$0	$0	$0	$0
Contractor Profit	$0	$0	$0	$0
Total Rehabilitation Costs	$50,000	$0	$39,400	$10,600
CONST. INTEREST & FEES				
Const. Loan Interest	$0	$0	$0	$0
Origination Fee	$0	$0	$0	$0
Credit Enhance. & App. Fee	$0	$0	$0	$0
Bond Premium	$0	$0	$0	$0
Taxes	$7,700	$0	$0	$7,700
Insurance	$2,800	$0	$0	$2,800
Title and Recording	$5,700	$0	$0	$5,700
Total Const. Interest & Fees	$16,200	$0	$0	$16,200
RESERVES				
Capitalized Rent Reserves	$0	$0	$0	$0
Capitalized Operating Reserve[1]	$32,000	$0	$0	$32,000
Capitalized Replacement Reserve[2]	$7,200	$0	$0	$7,200
Total Reserve Costs	$39,200	$0	$0	$39,200
Total Appraisal Costs	$0	$0	$0	$0
DEVELOPER COSTS				
Developer Fee	$45,000	$0	$0	$45,000
Consultant/Processing Agent	$0	$0	$0	$0
Project Administration	$0	$0	$0	$0
Const. Management Oversight	$0	$0	$0	$0
Other (specify)	$0	$0	$0	$0
Total Developer Costs[1]	$45,000	$0	$0	$45,000
TOTAL PROJECT COST	$968,400	$650,000	$39,400	$279,000

Rehabilitation Loan:

Development Budget	TOTAL PROJECT COSTS	CONSTRUCTION SOURCES (Prioritize by lien position)	
		Agency	HOME
LAND COST/ACQUISITION			
Land Cost or Value	$0	$0	$0
Demolition	$0	$0	$0
Legal	$0	$0	$0
Existing Improvements Value	$0	$0	$0
Off-Site Improvements	$0	$0	$0
Total Acquisition Cost	$0	$0	$0
REHABILITATION			
Site Work	$372,020	$163,284	$208,736
Structures	$0	$0	$0
Demolition	$7,500	$7,500	
General Requirements	$0	$0	$0
Contractor Overhead	$0	$0	$0
Contractor Profit	$0	$0	$0
Total Rehabilitation Costs	$379,520	$170,784	$208,736
NEW CONSTRUCTION			
Site Work	$25,000	$25,000	$0
Structures	$200,000	$90,000	$110,000
General Requirements	$0	$0	$0
Contractor Overhead	$0	$0	$0
Contractor Profit	$0	$0	$0
Total New Construction Costs	$225,000	$115,000	$110,000
ARCHITECTURAL FEES			
Design	$0	$0	$0
Supervision	$0	$0	$0
Total Architectural Costs	$0	$0	$0

	TOTAL PROJECT COSTS	CONSTRUCTION SOURCES	
Development Budget		Agency	HOME
CONST. INTEREST & FEES			
Const. Loan Interest	$0	$0	$0
Origination Fee	$0	$0	$0
Credit Enhance. & App. Fee	$0	$0	$0
Bond Premium	$0	$0	$0
Taxes	$3,500	$0	$3,500
Insurance	$4,000	$0	$4,000
Title and Recording	$500	$500	$0
Total Const. Interest & Fees	$8,000	$500	$7,500
PERMANENT FINANCING			
Loan Origination Fee	$0	$0	$0
Credit Enhance. & App. Fee	$0	$0	$0
Title and Recording	$0	$0	$0
Other	$0	$0	$0
Total Perm. Financing Costs	$0	$0	$0
LEGAL FEES			
Lender Legal Pd. by Applicant	$0	$0	$0
Other (Borrower Attorney)	$0	$0	$0
Total Attorney Costs	$0	$0	$0
RESERVES			
Capitalized Rent Reserves	$0	$0	$0
Capitalized Operating Reserve[1]	$32,228	$0	$32,228
Capitalized Replacement Reserve[2]	$4,632	$0	$4,632
Total Reserve Costs	$36,860	$0	$36,860
Total Appraisal Costs	$0	$0	$0
Total Survey & Engineering	$28,000	$28,000	$0
Hard Contingency	$57,952	$26,078	$31,874
Soft Contingency	$3,600	$3,600	$0
Total Construction Contingency Costs	$61,552	$29,678	$31,874

Development Budget	TOTAL PROJECT COSTS	CONSTRUCTION SOURCES	
		Agency	HOME
OTHER			
TCAC App/Alloc/Monitor Fees	$0	$0	$0
Environmental Audit	$0	$0	$0
Local Dev. Impact Fees	$0	$0	$0
Permit Processing Fees	$0	$0	$0
Capital Fees	$0	$0	$0
Marketing	$0	$0	$0
Relocation	$5,000	$5,000	$0
Furnishings	$0	$0	$0
Solar (PV for office)	$10,000	$4,500	$5,500
Other (Activity Delivery Costs)	$0	$0	$0
Other (Cost Cert. & Market Study)	$0	$0	$0
Total Other Costs	$15,000	$9,500	$5,500
Subtotals	$753,932	$353,462	$400,470
DEVELOPER COSTS			
Developer Fee	$84,500	$84,500	$0
Consultant/Processing Agent	$0	$0	$0
Project Administration	$0	$0	$0
Const. Management Oversight	$25,000	$25,000	$0
Other (audit)	$2,500	$2,500	$0
Total Developer Costs	$112,000	$112,000	$0
TOTAL PROJECT COST	$865,932	$465,462	$400,470

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

Table 1					Household Income			Mod	Low	VL	Unit Type	
					Percent of Median Income			80%	60%	50%	A	Mobile
					Number of Restricted Units			9	7	4	B	Apartment
Unit #	Unit Type	Household Income	Utility Allowance	Total housing Cost	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 1	Year 2	Year 3	Year 4	Year 5
1	A	vl	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
2	A	vl	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
3	A	vl	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
4	A	vl	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
5	A	low	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
6	A	low	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
7	B	mod	$63	$615	$552	1	2.5%	6,624	6,790	6,959	7,133	7,312
8	B	mod	$63	$615	$552	1	2.5%	6,624	6,790	6,959	7,133	7,312
9	A	low	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
10	A	low	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
11	A	low	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
12	A	low	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
13	A	low	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
14	A	mod	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
15	A	mod	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
16	A	mod	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
17	A	mod	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
18	A	mod	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
19	A	mod	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
20	A	mod	$122	$504	$382	1	2.5%	4,584	4,699	4,816	4,936	5,060
			TOTAL RENTAL INCOME		**7,980**	**20**	**1**	**95,760**	**98,154**	**100,608**	**103,123**	**105,701**

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

Table 2	OTHER INCOME		Units	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
	Laundry Income	2,400	1	2.5%	2,400	2,460	2,522	2,585	2,649
	Replacement Reserve Deposit	4,632			4,632	-	-	-	-
	Operating Reserve Deposit	0			32,228	0	0	0	0
	Utility Submetering annual income	3,600	1	2.5%	3,600	3,690	3,782	3,877	3,974
	TOTAL OTHER INCOME	10,632			42,860	6,150	6,304	6,461	6,623
	TOTAL INCOME				138,620	104,304	106,912	109,584	112,324
	Less Vacancy Allowance	399		5%	-4,788	-4,908	-5,030	-5,156	-5,285
	GROSS INCOME	**19,011**			**133,832**	**99,396**	**101,882**	**104,428**	**107,039**
	OPERATING EXPENSES	Annual	%EGI	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
	Accounting	2,140	1.6%	3.5%	2,140	2,215	2,292	2,373	2,456
	Audit	2,000	1.5%	3.5%	2,000	2,070	2,142	2,217	2,295
	Auto	420	0.3%	3.5%	420	435	450	466	482
	Manager's Housing	3,648	2.7%	3.5%	3,648	3,776	3,908	4,045	4,186
	Management Fee	6,756	5.0%	3.5%	6,756	6,992	7,237	7,490	7,753
	Utilities (electricity & gas)	6,264	4.7%	3.5%	6,264	6,483	6,710	6,945	7,188
	Manager training	500	0.4%	3.5%	500	518	536	554	574
	Payroll / Payroll Taxes	0	0.0%	3.5%	0	-	-	-	-
	Insurance	3,796	3.0%	3.5%	4,000	4,140	4,285	4,435	4,590
	Landscaping	708	0.5%	3.5%	708	733	758	785	812
	Maintenance	4,704	3.5%	3.5%	4,704	4,869	5,039	5,215	5,398
	Telephone	720	0.5%	3.5%	720	745	771	798	826
	Trash	4,404	3.3%	3.5%	4,404	4,558	4,718	4,883	5,054
	Water/Sewer	2,124	1.6%	3.5%	2,124	2,198	2,275	2,355	2,437
	Park Billing	960	0.7%	3.5%	960	994	1,028	1,064	1,102
	Permits, Fees & Licenses	300	0.2%	3.5%	300	311	321	333	344
	Supplies	3,180	2.4%	3.5%	3,180	3,291	3,406	3,526	3,649
	Dues & Subscriptions	0	0.0%	3.5%	0	-	-	-	-
	Other: Advertising	0	0.0%	3.5%	0	-	-	-	-
	On-Site Service Coordinator	0	0.0%	3.5%	0	-	-	-	-
	Property Taxes and Assessmer	4,000	3.0%	2.0%	4,000	4,080	4,162	4,245	4,330
	Commercial Expenses	0	0.0%	3.5%	0	-	-	-	-
	OPERATING EXPENSES (Excludi	**46,624**			**46,828**	**48,407**	**50,040**	**51,729**	**53,476**
	Replacement Reserves	4,632		0.6%	4,632	4,632	4,632	4,632	4,632
	Operating Reserve Deposit			0.0%	32,228	$ -	$ -	$ -	$ -
	TOTAL OPERATING EXPENSES	**51,256**			**83,688**	**53,039**	**54,672**	**56,361**	**58,108**

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

CASH FLOW AVAILABLE FOR DEBT SERVICE				**50,144**	**46,357**	**47,210**	**48,067**	**48,931**
DEBT SERVICE & OTHER DISTRI	Loan Amount		Yr. 1 DSC	Year-1	Year-2	Year-3	Year-4	Year-5
Sellers (Warren & Susan Morton) [	650,000		1.10	45,516	45,516	45,516	45,516	45,516
HOME FUNDS (City of Arcata)	400,500		1.10					
Redevelopment Agency	465,462							
DEBT COVERAGE RATIO				1.10	1.02	1.04	1.06	1.08
ANNUAL NET CASH FLOW				**4,628**	**$ 841**	**$ 1,694**	**$ 2,551**	**$ 3,415**
CUMULATIVE CASH FLOW				**4,628**	**$ 5,469**	**$ 7,163**	**$ 9,714**	**$ 13,129**
Developer share of Cash Flow				**2,314**	**$ 421**	**$ 847**	**$ 1,276**	**$ 1,708**
HOME FUNDS (City of Arcata)	**400,500**			**2,314**	**$ 421**	**$ 847**	**$ 1,276**	**$ 1,708**
Interest Rate:	**3%**							
HOME Loan Interest Balance				9,701	$21,296	$32,464	$43,203	$53,511
HOME Loan Principal Balance				400,500	$400,500	$400,500	$400,500	$400,500
HOME Loan Total Balance				410,201	$421,796	$432,964	$443,703	$454,011

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
7,494	7,682	7,874	8,071	8,272	8,479	8,691	8,909	9,131	9,360	9,594	9,833	10,079
7,494	7,682	7,874	8,071	8,272	8,479	8,691	8,909	9,131	9,360	9,594	9,833	10,079
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
5,186	5,316	5,449	5,585	5,725	5,868	6,015	6,165	6,319	6,477	6,639	6,805	6,975
108,344	**111,052**	**113,829**	**116,674**	**119,591**	**122,581**	**125,645**	**128,787**	**132,006**	**135,306**	**138,689**	**142,156**	**145,710**

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

Year-6	Year-7	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14	Year-15	Year-16	Year-17	Year-18
2,715	2,783	2,853	2,924	2,997	3,072	3,149	3,228	3,308	3,391	3,476	3,563	3,652
-	-	-	-	-	-	-	-	-	-	-	-	-
0												
4,073	4,175	4,279	4,386	4,496	4,608	4,724	4,842	4,963	5,087	5,214	5,344	5,478
6,788	6,958	7,132	7,310	7,493	7,681	7,873	8,069	8,271	8,478	8,690	8,907	9,130
115,132	118,010	120,961	123,985	127,084	130,261	133,518	136,856	140,277	143,784	147,379	151,063	154,840
-5,417	-5,553	-5,691	-5,834	-5,980	-6,129	-6,282	-6,439	-6,600	-6,765	-6,934	-7,108	-7,286
109,715	**112,457**	**115,270**	**118,151**	**121,104**	**124,132**	**127,236**	**130,417**	**133,677**	**137,019**	**140,445**	**143,955**	**147,554**

Year-6	Year-7	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14	Year-15	Year-16	Year-17	Year-18
2,542	2,631	2,723	2,818	2,917	3,019	3,124	3,234	3,347	3,464	3,585	3,711	3,841
2,375	2,459	2,545	2,634	2,726	2,821	2,920	3,022	3,128	3,237	3,351	3,468	3,589
499	516	534	553	572	592	613	635	657	680	704	728	754
4,333	4,484	4,641	4,804	4,972	5,146	5,326	5,512	5,705	5,905	6,112	6,326	6,547
8,024	8,305	8,596	8,896	9,208	9,530	9,864	10,209	10,566	10,936	11,319	11,715	12,125
7,440	7,700	7,970	8,248	8,537	8,836	9,145	9,465	9,797	10,140	10,494	10,862	11,242
594	615	636	658	681	705	730	756	782	809	838	867	897
-	-	-	-	-	-	-	-	-	-	-	-	-
4,751	4,917	5,089	5,267	5,452	5,642	5,840	6,044	6,256	6,475	6,701	6,936	7,179
841	870	901	932	965	999	1,034	1,070	1,107	1,146	1,186	1,228	1,271
5,587	5,782	5,985	6,194	6,411	6,635	6,868	7,108	7,357	7,614	7,881	8,157	8,442
855	885	916	948	981	1,016	1,051	1,088	1,126	1,165	1,206	1,248	1,292
5,231	5,414	5,603	5,799	6,002	6,212	6,430	6,655	6,888	7,129	7,378	7,636	7,904
2,523	2,611	2,702	2,797	2,895	2,996	3,101	3,210	3,322	3,438	3,558	3,683	3,812
1,140	1,180	1,221	1,264	1,308	1,354	1,402	1,451	1,501	1,554	1,608	1,665	1,723
356	369	382	395	409	423	438	453	469	486	503	520	538
3,777	3,909	4,046	4,187	4,334	4,486	4,643	4,805	4,973	5,147	5,328	5,514	5,707
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
4,416	4,505	4,595	4,687	4,780	4,876	4,973	5,073	5,174	5,278	5,383	5,491	5,601
-	-	-	-	-	-	-	-	-	-	-	-	-
55,283	**57,151**	**59,084**	**61,083**	**63,151**	**65,289**	**67,501**	**69,789**	**72,156**	**74,603**	**77,135**	**79,754**	**82,463**
4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
59,915	**61,783**	**63,716**	**65,715**	**67,783**	**69,921**	**72,133**	**74,421**	**76,788**	**79,235**	**81,767**	**84,386**	**87,095**

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

49,801	50,674	51,554	52,436	53,322	54,211	55,103	55,996	56,890	57,784	58,678	59,569	60,459
Year-6	Year-7	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14	Year-15	Year-16	Year-17	Year-18
45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516
1.09	1.11	1.13	1.15	1.17	1.19	1.21	1.23	1.25	1.27	1.29	1.31	1.33
$ 4,285	**$ 5,158**	**$ 6,038**	**$ 6,920**	**$ 7,806**	**$ 8,695**	**$ 9,587**	**$ 10,480**	**$ 11,374**	**$ 12,268**	**$ 13,162**	**$ 14,053**	**$ 14,943**
$ 17,414	**$ 22,572**	**$ 28,610**	**$ 35,530**	**$ 43,336**	**$ 52,031**	**$ 61,618**	**$ 72,098**	**$ 83,472**	**$ 95,740**	**$ 108,902**	**$ 122,955**	**$ 137,898**
$ 2,143	**$ 2,579**	**$ 3,019**	**$ 3,460**	**$ 3,903**	**$ 4,348**	**$ 4,794**	**$ 5,240**	**$ 5,687**	**$ 6,134**	**$ 6,581**	**$ 7,027**	**$ 7,472**
$ 2,143	**$ 2,579**	**$ 3,019**	**$ 3,460**	**$ 3,903**	**$ 4,348**	**$ 4,794**	**$ 5,240**	**$ 5,687**	**$ 6,134**	**$ 6,581**	**$ 7,027**	**$ 7,472**
$63,383	$72,819	$81,815	$90,370	$98,482	$106,150	$113,371	$120,146	$126,474	$132,355	$137,789	$142,778	$147,321
$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500
$463,883	$473,319	$482,315	$490,870	$498,982	$506,650	$513,871	$520,646	$526,974	$532,855	$538,289	$543,278	$547,821

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
10,331	10,589	10,854	11,126	11,404	11,689	11,981	12,281	12,588	12,902	13,225	13,555
10,331	10,589	10,854	11,126	11,404	11,689	11,981	12,281	12,588	12,902	13,225	13,555
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
7,149	7,328	7,511	7,699	7,892	8,089	8,291	8,498	8,711	8,929	9,152	9,381
149,353	**153,087**	**156,914**	**160,837**	**164,858**	**168,979**	**173,204**	**177,534**	**181,972**	**186,521**	**191,184**	**195,964**

2010-28351-42
Regulatory Agreement – Sandpiper Mobile Home Park, ROP
9-24-10

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

Year-19	Year-20	Year-21	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
3,743	3,837	3,933	4,031	4,132	4,235	4,341	4,449	4,561	4,675	4,792	4,911
-	-	-	-	-	-	-	-	-	-	-	-
5,615	5,755	5,899	6,046	6,198	6,353	6,511	6,674	6,841	7,012	7,187	7,367
9,358	9,592	9,832	10,077	10,329	10,588	10,852	11,124	11,402	11,687	11,979	12,278
158,711	162,679	166,746	170,914	175,187	179,567	184,056	188,657	193,374	198,208	203,163	208,242
-7,468	-7,654	-7,846	-8,042	-8,243	-8,449	-8,660	-8,877	-9,099	-9,326	-9,559	-9,798
151,243	**155,025**	**158,900**	**162,872**	**166,944**	**171,118**	**175,396**	**179,780**	**184,275**	**188,882**	**193,604**	**198,444**
Year-19	Year-20	Year-21	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
3,975	4,114	4,258	4,407	4,561	4,721	4,886	5,057	5,234	5,418	5,607	5,803
3,715	3,845	3,980	4,119	4,263	4,412	4,567	4,726	4,892	5,063	5,240	5,424
780	807	836	865	895	927	959	993	1,027	1,063	1,100	1,139
6,776	7,013	7,259	7,513	7,776	8,048	8,330	8,621	8,923	9,235	9,558	9,893
12,549	12,988	13,443	13,914	14,400	14,905	15,426	15,966	16,525	17,103	17,702	18,321
11,635	12,043	12,464	12,900	13,352	13,819	14,303	14,803	15,321	15,858	16,413	16,987
929	961	995	1,030	1,066	1,103	1,142	1,182	1,223	1,266	1,310	1,356
-	-	-	-	-	-	-	-	-	-	-	-
7,430	7,690	7,959	8,238	8,526	8,824	9,133	9,453	9,784	10,126	10,481	10,848
1,315	1,361	1,409	1,458	1,509	1,562	1,617	1,673	1,732	1,792	1,855	1,920
8,738	9,043	9,360	9,688	10,027	10,378	10,741	11,117	11,506	11,908	12,325	12,757
1,337	1,384	1,433	1,483	1,535	1,588	1,644	1,702	1,761	1,823	1,887	1,953
8,180	8,467	8,763	9,070	9,387	9,716	10,056	10,408	10,772	11,149	11,539	11,943
3,945	4,083	4,226	4,374	4,527	4,686	4,850	5,020	5,195	5,377	5,565	5,760
1,783	1,846	1,910	1,977	2,046	2,118	2,192	2,269	2,348	2,430	2,515	2,603
557	577	597	618	639	662	685	709	734	759	786	814
5,907	6,114	6,328	6,549	6,778	7,015	7,261	7,515	7,778	8,050	8,332	8,624
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
5,713	5,827	5,944	6,063	6,184	6,308	6,434	6,562	6,694	6,828	6,964	7,103
-	-	-	-	-	-	-	-	-	-	-	-
85,266	**88,164**	**91,162**	**94,264**	**97,472**	**100,791**	**104,224**	**107,775**	**111,449**	**115,250**	**119,181**	**123,248**
4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632	4,632
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
89,898	**92,796**	**95,794**	**98,896**	**102,104**	**105,423**	**108,856**	**112,407**	**116,081**	**119,882**	**123,813**	**127,880**

EXHIBIT C
SANDPIPER OPERATIONAL CALCULATIONS

61,345	**62,229**	**63,105**	**63,976**	**64,840**	**65,695**	**66,540**	**67,373**	**68,194**	**69,001**	**69,792**	**70,565**
Year-19	Year-20	Year-21	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516	45,516
1.35	1.37	1.39	1.41	1.42	1.44	1.46	1.48	1.50	1.52	1.53	1.55
$ 15,829	**$ 16,713**	**$ 17,589**	**$ 18,460**	**$ 19,324**	**$ 20,179**	**$ 21,024**	**$ 21,857**	**$ 22,678**	**$ 23,485**	**$ 24,276**	**$ 25,049**
$ 153,727	**$ 170,440**	**$ 188,029**	**$ 206,489**	**$ 225,813**	**$ 245,992**	**$ 267,016**	**$ 288,873**	**$ 311,551**	**$ 335,036**	**$ 359,312**	**$ 384,361**
7,915	**$ 8,357**	**$ 8,795**	**$ 9,230**	**$ 9,662**	**$ 10,090**	**$ 10,512**	**$ 10,929**	**$ 11,339**	**$ 11,743**	**$ 12,138**	**$ 12,525**
$ 7,915	**$ 8,357**	**$ 8,795**	**$ 9,230**	**$ 9,662**	**$ 10,090**	**$ 10,512**	**$ 10,929**	**$ 11,339**	**$ 11,743**	**$ 12,138**	**$ 12,525**
$151,422	$155,080	$158,301	$161,086	$163,439	$165,364	$166,867	$167,954	$168,630	$168,902	$168,779	$168,270
$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500	$400,500
$551,922	$555,580	$558,801	$561,586	$563,939	$565,864	$567,367	$568,454	$569,130	$569,402	$569,279	$568,770

EXHIBIT D

INSURANCE REQUIREMENTS

At the date of Close of Escrow for the Development, the City must receive a one-year prepaid Certificate of Insurance policy (or a binder followed by a certificate within 30 days of loan closing) evidencing the following coverage:

1. HAZARD (PROPERTY)

Perils:	All risk; or Fire & Lightning, Extended Coverage, Vandalism Malicious Mischief.
Covered Property:	Structure; and All risk contents coverage.
Amount:	Replacement value (or less if approved by City).
Coinsurance:	No less than 90 percent.
Deductible:	$2,500 maximum deductible per occurrence; or $1,000 maximum deductible per occurrence if the completed project value is less than $300,000.
Endorsement:	City's Loss Payable Endorsement required insuring the City.

OTHER PROPERTY INSURANCE

Flood Insurance:	Coverage required to 80 percent of replacement cost if the property is located in a 100-year flood plain.
Steam Boiler & Related Machinery:	(When applicable) 80 percent of replacement cost coverage is required.

2. COMPREHENSIVE GENERAL LIABILITY

Minimum Amount:	$2,000,000 per occurrence.

3. OTHER COVERAGE

Loss of Rents:	Coverage shall insure 75 percent of annual gross rents.
Workers Compensation:	Required by State law if employees are involved.

ALL POLICIES MUST INCLUDE THE FOLLOWING

Named Insured:	Borrower
Additional Insured:	The City of Arcata and its officers, agents, employees, and servants must be named as additional insured.
Cancellation Clause:	The City must be notified 30 days prior to cancellation of the insurance policy.
Notification:	The City must be notified prior to cancellation or lapse of coverage or in the event of any claim.

The City should be identified on all insurance documents as follows:

City of Arcata
736 F Street

Arcata, CA 95521
EXHIBIT E

OCCUPANCY CERTIFICATION

Form of Owner Occupancy Certification

To: Resident Owned Parks
From: _____ [*name of owner(s)*] ("Owner")
Address of Home: _____
Date: _____

By signature below, I/we_____ _____ [*name or names of Owner*] hereby certify to the Resident Owned Parks under penalty of perjury that I/we occupy the manufactured home located at _____ [*address*] (the "Home") as my/our principal place of residence and that I/we have occupied the Home for _____ (__) [*number*] months of the calendar year _____ [*previous calendar year*]. Attached to this letter is a copy of _____ [*utility bill or and property tax statement*] showing my place of residence. Also attached is a copy of a current proof of hazard insurance that I maintain for the Home.

I also certify that I have not leased part or all of the Home to a third party, except _____. (Note: prior written approval of Resident Owned Parks required for any rental of the Home)

This Owner Occupancy Certification is signed on _____ __, 20__, under penalty of perjury.

By:_____
Owner [*type name*]

By:_____
Owner [*type name*]

Due Date: February 1 of each calendar year.

Attach copy of utility bill and property tax statement showing address of Home and proof of property insurance (hazard).

LOAN AGREEMENT

THE CITY OF ARCATA
ARCATA COMMUNITY DEVELOPMENT AGENCY
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
(SANDPIPER PARK)

This loan agreement ("Loan Agreement") is entered into this 1ST day of OCTOBER, 2010, by and between Resident Owned Parks, Inc, a California nonprofit public benefit corporation ("Borrower"), the City of Arcata ("City"), and the Arcata Community Development Agency, a California redevelopment agency ("Agency").

Recitals

A. The City and Agency previously provided loan financing to Borrower to assist in the acquisition and rehabilitation of a mobile home rental park, commonly known as the Sandpiper Park, located at 115 South G Street, Arcata, California (APN 503-224-046), California Department of Housing and Community Development (HCD) Permit # 12-0041-MP ("Property").

B. Said loan consisted of $318,400 total, $279,000 from the City's Home Investment Partnership Program (HOME) Program Income, and $39,400 from the Agency's 20% housing set-aside fund (collectively, the "Prior Loan"), intended to be used to assist in the acquisition and rehabilitation of 21 affordable housing units, of which ten units were to be occupied by moderate income households, seven by low income households and four by very low income households.

C. The Prior Loan was evidenced by a loan agreement entered into between the City and Borrower dated November 21, 2006, and a promissory note dated March 8, 2007, secured by deed of trust recorded against the Property as instrument number 2007-8126-20. The City and Borrower entered into a regulatory agreement to place rent and occupancy restrictions on the proposed 21 housing units, recorded as instrument number 2007-8124-30 ("Prior Regulatory Agreement").

D. Since acquisition of the Property, Borrower completed a needs assessment for the Sandpiper Park and identified the need for extensive repairs to the park infrastructure and buildings in excess of the amounts previously loaned by the City and Agency for park improvements and additionally determined a more appropriate design layout for the Park, resulting in a total of 20 units consisting of 18 manufactured homes and two efficiency apartments rather than the initially anticipated 20 units of manufactured homes and one wood frame apartment ("Improvement Project"). Of the newly proposed 20 units, nine will be occupied by moderate-income households, seven by low-income households and four by very low-income households.

E. The City and Agency propose to assist Borrower with additional loan financing in the total amount of $865,932 for the continued improvement and rehabilitation of the Sandpiper Park, utilizing $400,470 from the City's HOME Program Income and $465,462 from the Agency's 20% housing set-aside fund. Said additional loan funds shall be added to the Prior Loan principal and accrued interest to restructure the total combined City and Agency financing toward this project as follows:

City HOME Program Income Funding:

$ 279,000	Prior Loan Principal (March 7, 2007)
+$ 400,470	New Loan Principal

$ 679,470 **TOTAL HOME PROGRAM INCOME**

Agency 20% Housing Set-Aside Funding:

$ 39,400	Prior Loan Principal (March 7, 2007)
+$ 465,462	New Loan Principal
$ 504,862	**TOTAL AGENCY 20% HOUSING SET-ASIDE**

F. The HOME Program Income is regulated under the City's HOME Program Income Reuse Plan which was Amended on December 18, 2002 in accordance with 42 USC 12741 et seq., 24 CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code of Regulations, Sections 8200 through 8220 (together, the "HOME Regulations").

G. The City has completed an underwriting analysis of the new rehabilitation project's financial feasibility according to the state uniform multifamily regulations and has submitted the required "Set-up" documentation to the HCD as required by the HOME Regulations. The commitment of said HOME Program Income funds to this project is contingent on receiving written authorization from HCD to expend the HOME Program Income funds on the Sandpiper Mobile Home Park rehabilitation affordable housing project.

H. The total financing shall be evidenced by promissory notes executed by Borrower in favor of the City and Agency ("City Note" and "Agency Note," respectively) on even date herewith, repayment of which shall be secured by deeds of trust with assignment of rents executed by Borrower in trust for the benefit of the City and Agency ("Agency Deed of Trust" and "City Deed of Trust," respectively), and any further security that the City or Agency now or from time to time may require.

I. As further consideration for receiving these loans, Borrower shall execute within 90 days of the date of this Loan Agreement, a new Regulatory Agreement with which the City shall acquire rent and occupancy restrictions on all 20 proposed units in the Sandpiper Park. The Prior Regulatory Agreement shall be released.

J. Upon execution of the all loan documents, the Prior Loan documents shall be reconveyed.

K. The terms of the HOME Program Income "Set-up documents," the Regulatory Agreement recorded in the Humboldt County Records as Instrument Number 2007-8124-30 and any future amendments, Notes and Deeds of Trust, and all exhibits and attachments thereto, are fully incorporated herein and made a material part of this Loan Agreement.

NOW, THEREFORE, in consideration of the mutual promises conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. Defined Terms. All capitalized terms not otherwise defined in this Loan Agreement shall have the meaning set forth in the Regulatory Agreement, Notes, or Deed of Trust. In addition, as used in the Loan Documents, the following terms will have the following meanings:

"Completion of Improvements" means that in City's sole judgment, the Improvements have been constructed, completed, equipped, and furnished in a good and proper manner in accordance with all permit conditions and conditions of approval for the Improvement Project, and that all statutory lien periods will have expired.

"Improvements" means all rehabilitation construction on the Property, and all improvements, additions, and replacements, and other buildings and improvements, at any time later constructed or placed on the Property.

"Loan Documents" means the Notes, this Loan Agreement, the Deeds of Trust and the Regulatory Agreement.

"Manufactured Home" means any type of non motorized manufactured housing unit that was built after 1976 that meets the definition in 24 CFR 3280 and is connected to permanent electric, water, sewer, and natural gas utility hook-ups. The City and/or Agency may authorize alternative housing units as long as the units comply with 24 CFR 3280.

"Notice of Completion" means the issuance of notice by the City of Arcata of Completion of Improvements as to the two-story structure containing the two efficiency apartments, and the equivalent notice of completion from HCD as to all other areas of the Property.

"Property" means the real property owned by Borrower commonly called Sandpiper Mobile Home Park, which is the subject of the Improvement Project, more particularly described in the "Exhibit A" attachment to the Regulatory Agreement.

"Potential Default" means an event that would constitute an Event of Default, as defined in the any of the Loan Documents, but for any requirement of notice to be given or period of grace or time to elapse.

2. Construction And Completion Of Improvements.

a. Construction. Loan funds shall be advanced and used only in accordance with those approved uses as set out in the Sources and Uses of Funds Schedule attached as Exhibit B to the Regulatory Agreement. Borrower shall diligently proceed with designing, permitting, and constructing the Improvements outlined in Exhibit A attached hereto ("Improvement Project"). This construction project shall comply with all applicable procurement, prevailing wage, and equal opportunity requirements as required by the State HOME Program and Redevelopment Law. All Improvements shall be completed within 12 months from the date of this Agreement. If the City or Agency, in its sole and respective discretion, determines that it has the ability to provide additional financing to fund the construction of perimeter concrete foundations, and said foundations are allowable with HCD, it will so notify Borrower prior to Borrower's commencement of construction. Borrower shall implement a construction contract change order to construct such perimeter foundations concurrently with site improvements. Prior to the City issuing a notice to proceed with construction, Borrower shall execute a new Regulatory Agreement for the Property.

b. Protection Against Lien Claims. Borrower agrees to pay and discharge promptly and fully all claims for labor done and materials and services furnished in connection with the construction of the Improvements, and to take all reasonable steps to forestall the assertion of claims of lien against the Property or any part of it.

c. No Liens. Borrower will not allow commencement of construction or delivery of materials without the City and Agency's prior written consent until the City and Agency inform Borrower in writing that the City and Agency have recorded the Deeds of Trust.

d. Cash Shortfall During Construction. The City and Agency acknowledge that Borrower will have a cash shortfall for operational expenses of the Sandpiper Park prior to and during construction and until the units are fully rented, including but not limited to mortgage payments, insurance, utilities, property taxes, management fees, as identified in Exhibit C to the Regulatory Agreement. Prior to construction the City and/or Agency shall pay said operational cash shortfall from the Operating Reserve, as shown in Exhibit B to the Regulatory Agreement. If Borrower does not receive notice to proceed with construction from the City by January 31, 2011 then the City Council will direct a re-evaluation of the project or commit additional funds to the Operating Reserve. Upon start of construction, the City and/or Agency shall pay said operational cash shortfall from the Developer Fee, as shown in Exhibit B to the Regulatory Agreement, as needed until full occupancy of the 18 rental spaces and 2 efficiency apartments. Payments shall be made no more frequently than monthly to Borrower upon receipt of an itemized statement, which shall include such information as requested by the City/Agency necessary to verify the cash shortfall. In the event of Borrower's failure to execute a new Regulatory Agreement within 90 days of the date of this Loan Agreement the City and/or Agency may discontinue disbursements of loan funds. If events beyond the control of Borrower and City and/or Agency, such as the Coastal Commission Permit, HCD approved site plans, or HOME Program set-up approval, are not resolved by January 31, 2011 then the project will need to be re-evaluated by the City and Agency. The primary purpose of any re-evaluation of the project will be to preserve the viability of Sandpiper Park as an affordable housing project and to avoid the possibility of foreclosure. Said re-evaluation would be limited to options that will make the project viable, meet the terms of the Regulatory Agreement, and ensure that the project is completed in compliance with affordable housing requirements and other applicable State and/or Federal regulations.

3. Loan Disbursement Procedures. The City and Agency shall loan to Borrower up to the total sum of $865,932 for the continued improvement and rehabilitation of the Sandpiper Park ("Loan Funds"), utilizing up to $400,400 from the City's HOME Program Income and up to $465,462 from the Agency's 20% housing set-aside fund.

a. Conditions Precedent To Loan Fund Disbursement. All of the following conditions must be satisfied prior to the disbursement or advances of any Loan Funds:

1) Borrower shall have satisfied all requirements of the National Environmental Policy Act, and shall have completed the Environmental Assessment (EA) so required.

2) Borrower shall have submitted site improvement plans, bid documents and cost estimates to the City for approval as outlined in Exhibit A to this Agreement.

3) Borrower shall have received all applicable land use and building permits from either the City of Arcata and/or HCD as may be required to construct the improvements outlined in Exhibit A.

4) Borrower shall have submitted and the City shall have approved a Management Plan as specified in Section 7 of the Regulatory Agreement.

5) Borrower shall have contracted with and the City shall have approved a Management Agent as specified in Section 14 of the Regulatory Agreement.

6) Borrower shall have complied with all HCD and Home Program grant requirements.

7) Borrower shall have provided the City with a copy of its HCD Permit # 12-0041-MP.

No Loan Funds shall be advanced in the event of Default or Potential Default by Borrower, as determined solely by the City or Agency, as appropriate.

b. Disbursement. The City or Agency as appropriate will disburse Loan Funds upon the written request of Borrower and consistent with this Agreement and the Regulatory Agreement. Borrower shall submit written requests for disbursement no more than twice monthly. Each request for disbursement of loan funds shall be in the form and shall include such supporting information and documentation as specified by the City or Agency and shall include an itemized invoice signed by the Borrower and Borrower's general contractor. The City or Agency may require, without limitation, the following supporting documentation:

1) Waivers of mechanics' or materialmen's liens from the general contractor and each subcontractor and supplier with respect to the work for which payment is being requested;

2) A statement verified under penalty of perjury by Borrower's general contractor that all work covered by the application for payment has been completed in accordance with the applicable contracts and should now be paid, and that all costs incurred in connection with said work either have been paid or will be paid out of the proceeds of the disbursement;

3) Supporting billings to Borrower's general contractor covering the application for payment; and

4) Supporting billings of Borrower's general contractor with respect to the work requested.

The City or Agency may make on-site inspections and review of construction to verify percentage of completion and certify disbursement requests prior to disbursement of funds.

c. Retention of Rehabilitation Loan Funds, Final Disbursement. The City or Agency, as appropriate, shall retain ten percent (10%) of the total Rehabilitation Loan Funds requested by Borrower from each disbursement ("Retainage") until the following has occurred:

1) Final lien waivers have been obtained from the general contractor, each of the subcontractors and material suppliers, and substantially all of the subcontractors and material suppliers under the subcontractors and material suppliers at any level, or Borrower will have furnished evidence satisfactory to the City or Agency that the general contractor, subcontractors, material suppliers, subcontractors and submaterial suppliers have been paid in full.

2) Borrower will have received all Notices of Completion for the Improvements on the Property.

3) Borrower will have submitted to the City an audit of all construction expenses and other development expenses. Funds to complete the audit are included in Exhibit B to the Regulatory Agreement.

d. Disbursement of Developer Fee. The Agency shall retain the full amount of the Developer Fee, Eighty-Four Thousand Five Hundred Dollars ($84,500), as identified in Exhibit B to the Regulatory Agreement, to be used to cover the cash short fall specified in Section 2(d) of this Agreement. Upon full occupancy of all 20 units or upon positive cash flow documented by the annual audit, whichever occurs first, the remainder of the Developer Fee will be paid to Borrower. Upon commencement of construction, Borrower may submit to City for payment from the Developer Fee, an amount not to exceed $10,000 for legal fees of borrower in reviewing bid documents, construction contracts, engineering contracts and amendments, and City loan documents including this Loan Agreement, Deeds of Trust, Promissory Notes, Regulatory Agreement and attachments.

e. Changes to Sources and Uses. Changes to Exhibit B to the Regulatory Agreement, Sources and Uses Schedule, will not be permitted except as authorized by the HCD, HOME Program guidelines, the City or the Agency.

4. Interest, Repayment.

a. Interest. All Loan advances shall accrue simple interest from the date of disbursement at the rate of three percent (3%) per year. First Loan funds previously disbursed shall accrue interest as of the date of said previous disbursements.

b. Payments. The principal of the Loans shall be amortized over 55 year terms beginning on the dates of the respective Notes. The first payment of principal and interest shall be made in accordance with the terms of the respective Agency and City Notes.

5. General Conditions.

Borrower agrees to abide by all conditions fully set forth below:

a. Borrower has requested the financial support provided for in this Agreement in order to enable Borrower to provide affordable housing services. Neither City nor Agency shall have any type of relationship with the services provided by Borrower, except the provision of financial support, monitoring, and the receipt of such reports as are provided for herein. To the extent, if at all, that any relationship to such services on the part of City or Agency may be claimed or found to exist, Borrower shall be an independent contractor only.

c. Borrower shall obtain any and all federal, state, and local permits and licenses required to construct the Improvements as described in this Agreement. Borrower further agrees to abide by all applicable federal, state, and local codes, regulations, statutes, ordinances, and laws.

d. Borrower will provide the City with all final documents required of Borrower as part of the tax credit process, if applicable. Borrower will additionally provide the City with copies of all monitoring and audit documents and correspondence required as part of the tax credit process. Borrower shall copy the City on all future correspondence concerning the tax credit and shall promptly forward copies of received correspondence of or concerning the tax credit to the City.

e. If the affordable housing units, or any portion thereof, are subleased without the prior written approval of City or through foreclosure, sale, or other circumstances Borrower loses legal possession of the Property, Borrower shall, upon the request of City, repay to City, the remaining balance of the Loan that Borrower received from City and Agency hereunder. If Borrower

chooses to sell, transfer or otherwise convey the subject property, the term of affordability will remain with the Assisted Units pursuant to deed restrictions placed on the Property.

f. Borrower shall not allow the Property to be attached in any manner, including any liens or other encumbrances or any mortgages or other security interest during the period of affordability without the prior written consent of City. Borrower has the consent of City and Agency to secure mortgages and other financing with other permanent mortgage lenders, state tax credit allocating agencies (if any), and the limited partners as the permanent financiers of the Property.

g. Borrower may not assign or delegate any of its rights, interests or duties under this Agreement without the prior written consent of City and Agency. Any such assignment of delegation made without the required consent shall be voidable by City or Agency, and may, at the option of City or Agency, result in the forfeiture of all financial support provided herein.

h. Borrower shall allow duly authorized representatives of City to conduct such occasional reviews, audits and on-site monitoring of the Property as City deems to be appropriate in order to determine:

1) Whether the objectives of the Improvement Project are being achieved;
2) Whether the Improvement Project is being conducted in an efficient and effective manner;
3) Whether management control systems and internal procedures have been established to meet the objectives of the Improvement Project;
4) Whether the financial operations of the Improvement Project are being conducted properly;
5) Whether the periodic reports to City contain accurate and reliable information; and
6) Whether all of the activities of the Improvement Project are conducted in compliance with the provisions of Federal and State laws and regulations and this Agreement.

Visits to the Property shall be announced to Borrower in advance and shall occur during normal operating hours. The representatives of City or Agency may request, and, if such a request is made, shall be granted, access to all of the records of Borrower which relate to the Improvement Project. The representatives of City or Agency may, from time to time, interview recipients of the housing services of the Improvement Project who volunteer to be interviewed.

k. At any time during normal business hours, Borrower's records with respect to the Improvement Project shall be made available for audit, examination and review by City, the Attorney General's Office, contracted independent auditors, HUD, the Comptroller General of the United States, or any combination thereof. The City and such agencies acknowledge that financial and business records for Sandpiper Park are maintained by Resident Owned Parks, Inc., at its corporate office in Sacramento. Only basic applications, rental agreements, leases, and park rules and regulations are maintained in the tenancy files on site with the resident park manager of Sandpiper Park. Upon fourteen (14) days advance notice, Borrower shall have such financial and business records available for the City to review in Arcata.

l. Borrower will protect, defend, indemnify, and save and hold harmless City and Agency from and against any and all liability, damages, demands, claims, suits, liens, and judgments of whatever nature including but not limited to claims for contribution or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. Borrower obligation to protect, defend, indemnify, and save and hold harmless as set forth in this paragraph shall include any and all

attorneys' fees incurred by City or Agency in the defense of handling of said suits, demands, judgments, liens and claims and all attorneys fees and investigation expenses incurred by City and Agency in enforcing or obtaining compliance with the provisions of the Agreement.

m. Borrower will not use any funds or resources which are supplied by City or Agency in litigation against any person, natural or otherwise, or in its own defense in any such litigation and also agrees to notify City or Agency of any legal action which is filed by or against it.

n. Borrower agrees that no officer or employee of Borrower may seek or accept any gifts, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in that position to depart from the faithful and impartial discharge of the duties of that position.

o. Borrower agrees that no officer or employee of Borrower may use his or her position to secure or grant any unwarranted privilege, preference, exemption or advantage for himself or herself, any member of his or her household, any business entity in which he or she has a financial interest or any other person.

p. Borrower agrees that no officer or employee of Borrower may suppress any report or other document because it might tend to affect unfavorably his or her private financial interests.

q. Borrower shall keep and maintain in effect at all times any and all licenses, permits, notices and certifications which may be required by any county ordinance or state or federal statute.

r. Borrower shall be bound by all county ordinances and state and federal statutes, conditions, regulations and assurances which are applicable to the entire HOME Program or are required by HUD, City, or any combination thereof.

s. Any material breach of this section may, after 30-day notice to Borrower and Borrower's administrative limited partner and a failure thereby to cure such material breach, is an event of Default and may, in the discretion of City, result in forfeiture of all HOME Program funds received by Borrower pursuant to this Agreement, or any part thereof.

t. An audited cost certification will be submitted to City after completion of the Improvement Project.

6. Federal General Conditions.

a. Borrower shall comply with the following laws and directives:

1) Title VIII of the Civil Rights Act of 1968, Public Law 90-284
2) Section 109 of the Housing and Community Development Act of 1974.
3) Title VI of the Civil Rights Act of 1974, Public Law 99-352, and the regulations of HUD with respect thereto, including 24 CFR, Parts 1 and 2.
4) The Fair Housing Act, as amended.
5) Executive Order 11063, as amended.
6) The Age Discrimination Act of 1975.
7) Section 504 of the Rehabilitation Act of 1973.
8) Executive Order 11246, as amended, and the regulations which are issued pursuant thereto.
9) The Fair Labor Standards Act.

10) Section 202(a) of the Flood Disaster Protection Act of 1973.
11) Sections 302 and 401 (b) of the Lead-Based Paint Poisoning Prevention Act and implementing regulations in 24 CFR, Part 35.

b. No officer, employee or agent of City or Agency shall have any interest, direct or indirect, financial or otherwise, in any contract or subcontract or the proceeds thereof, for any of the work to be performed pursuant to this Agreement during the period of service of such officer, employee or agent, for one year after dismissal.

c. None of the personnel employed in the administration of the Improvement Project shall be in any way or to any extent engaged in the conduct of political activities in contravention of Chapter 15 Title 5, U.S. Code.

d. None of the HOME Program funds to be paid under this Agreement shall be used for any partisan political activity, or to support or defeat legislation pending before Congress.

e. Borrower shall carry out its activities in compliance with all Federal laws and regulations described in 24 CFR Part 92, which are applicable to Federal Fiscal Year HOME Program grants, except that Borrower will not assume City's environmental responsibilities described in 24 CFR 92.352, nor the intergovernmental review process described in 24 CFR 92.359.

f. Borrower shall maintain records in accordance with 24 CFR 92 508.

g. Borrower in its discretion, may request such other and further information, as from time to time required to ensure compliance with the mandates of the above listed Executive Orders.

h. For a period of fifty-five (55) years (the "Period of Affordability), or transfer of title, whichever is later, Borrower agrees to maintain the residential units of the Development as "affordable housing" or transfer of title whichever is later.

i. Borrower agrees to maintain the Development in compliance with Housing Quality Standards established by HUD for the Section 8 Program, and local housing code requirements for the duration of this Agreement.

j. Borrower agrees that the duration this Agreement is in effect is for the Period of Affordability established in paragraph I of this section, commencing from the initial date of payment of HOME funds, pursuant to 24 CFR 92.252.

k. Borrower agrees that, for the duration of this Agreement, the Development will be operated in compliance with HOME Regulations, specifically those contained in 24 CFR 92.250-92.258, Subpart F.

l. All leases with tenants living in Assisted Units shall be made for not less than six months, unless a shorter term is mutually agreed upon between Borrower and tenant. All such leases must comply with the requirements set forth in 24 CFR 92.253.

m. Borrower agrees to recertify tenant HOME Program eligibility at least annually as required by HUD regulations.

n. Borrower agrees that maximum rents charged shall not exceed those calculated per HOME Regulations, and that Borrower will supply tenants with written notice at least 30 days before implementing any rent increase.

7. Financial Management.

a. Borrower agrees that all costs of the Improvement Project shall be recorded in accordance with generally accepted accounting principles, and shall be supported by checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges, and that all checks, payrolls, time records, invoices, contracts, vouchers, orders or other accounting documents which pertain, in whole or in part, to the Improvement Project shall be thoroughly identified and readily accessible to City or Agency. The City and Agency acknowledge that financial and business records for Sandpiper Park are maintained by Resident Owned Parks, Inc., at its corporate office in Sacramento. Only basic applications, rental agreements, leases, and park rules and regulations are maintained in the tenancy files on site with the resident park manager of Sandpiper Park. Upon fourteen (14) days advance notice, Borrower shall have such financial and business records available for the City or Agency to review in Arcata.

b. Borrower agrees that excerpts or transcripts of all checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents related to or arguably related to the Development will be provided upon request to City or Agency.

8. Modification Or Revocation Of Agreement.

a. City and Agency will amend or otherwise revise this Agreement should such modification be required by HUD or any applicable Federal statutes or regulations, and Borrower shall approve any such regulated changes provided such changes do not change the economic terms described herein or expand Borrower's liability hereunder.

b. In the event that any of the HOME Program funds for any reason are terminated or withheld from City or otherwise not forthcoming, City may revoke this Agreement without penalty or damages to the extent of any such shortfall.

c. This Agreement may only be modified by a written amendment signed by the parties, or as otherwise set forth in the terms of the Agreement.

9. Miscellaneous Provisions.

a. Assignment of City/Agency Rights. The City and Agency each retain the right at its sole discretion to assign all or part of its rights under this Agreement for the purpose of ensuring compliance and enforcement of Borrower's duties and obligations hereunder. In addition, the City and Agency may designate an agent to act on its behalf in monitoring compliance and enforcing the provisions hereof.

b. Amendment. This Agreement shall not be altered or amended except in writing, executed between or among all the parties.

c. Partial Invalidity. 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.

d. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in the office of interest, and assigns, provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior written approval of the City and Agency.

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

g. 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 the intent of this Agreement.

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

i. Attorneys' Fees. The prevailing party in any action to enforce this Agreement, including the residents of Assisted Units, shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.

j. Contract Administration. The City and Agency shall maintain authority over this Agreement through their respective City Manager and Executive Director or his designee. The City Manager or Executive Director shall have authority to issue interpretations, waivers, amendments, relating to this Agreement that do not change the material terms of the Agreement. All other waivers or amendments shall require the written consent of the City Council and Agency. Approval by the City or Agency as required in this Agreement shall be approval by the City Manager or Executive Director, unless specifically stated otherwise.

k. Borrowers' Warranties and Representations. The undersigned represent that Borrower is a California nonprofit public benefit corporation. The undersigned represents that he has been duly authorized by Borrower and has the capacity to enter into the within Agreement, and that the obligations entered into herein shall be binding on Borrower.

l. Notices. All notices shall be given in the manner and at the addresses set forth in the Regulatory Agreement, or to such addresses as the parties may hereinafter designate.

10. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:

Exhibit A: Scope of Improvements

11. Integration of Loan Documents. Each of the Loan Documents, when executed and delivered to the City and Agency is hereby integrated into this Agreement, made a part hereof, and will constitute a valid obligation, enforceable in accordance with its terms.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

BORROWER:
Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By:_____
Maurice A. Priest, President

CITY:
City of Arcata

By: _____
Randal J. Mendosa, City Manager

AGENCY:
Arcata Community Development Agency

By: _____
Randal J. Mendosa, Executive Director

EXHIBIT A
TO LOAN AGREEMENT

SCOPE OF IMPROVEMENTS

I. GENERAL DESCRIPTION

The project will result in the rehabilitation of an existing 20 unit mobile home park located at 115 G Street, Arcata, California (APN 503-224-046). The City and Agency have committed to fund the following improvements related to the Site in the amount of up to $865,932.00 to further the City's affordable housing program:

- Site improvements per the HCD approved site plans.
- A minimum of 10% of lot area shall be landscaped.
- Pave driveway and one parking space per unit.
- Install underground natural gas hookups to all 20 units.
- Replace underground utilities to all 20 units.
- Removal of the existing laundry and apartment building and construction of a new 2-story building with 2 efficiency apartments, office, and laundry.
- The participant hereby commits to submit site improvement plans, bid and contract documents to the City for review and approval prior to going out to competitive bid or permit application submittal.

II. IMPROVEMENT STANDARDS

The site shall be designed and developed according to the following development standards.

A. State Mobile Home Park Permit. Borrower shall comply with all standards set by the Sandpiper Mobile Home Park holds Permit # 12-0041-MP issued by the California Department of Housing and Community Development.

B. City of Arcata General Plan: Borrower shall comply with the City's General Plan 2020 and all amendments.

C. City Land use Zoning: Borrower shall comply with the City's Land Use and Development Guide and all amendments and revisions.

D. Nonconforming Site Conditions. Existing nonconforming conditions shall not be changed in a way that results in a greater degree of nonconformity

E. Building Height. The building height shall not exceed the coverage limits established for the Site in the City's Municipal Code.

F. Parcel Coverage. The structures to be constructed shall not exceed the coverage limits established for the Site in the City's Municipal Code.

G. Building Setbacks. Minimum building setbacks shall be in conformance with the City's Municipal Code.

H. Building Construction. The improvements to be constructed on the Site and all work of construction on the Site (in general) shall be performed in accordance with the City's Municipal Code, the approved architectural and construction plans, drawing and specifications pertaining thereto, and all applicable state and local laws in effect from time to time including, without limitation, the Building, Electrical, Heating, Ventilation and Plumbing Codes of the City.

I. Signs. Signs and signing shall be limited in size, subdued and otherwise designed to contribute positively to the environment, and shall be in conformance with the City's Municipal Code.

J. Screening and Landscaping. All outdoor storage of materials or equipment shall be enclosed or screened by walls, landscaping or enclosure to the extent and in the manner required by the City's Municipal Code and in accordance with approved Site and landscape plans, drawings and specifications.

PROMISSORY NOTE SECURED BY DEED OF TRUST

ARCATA COMMUNITY DEVELOPMENT AGENCY
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
SANDPIPER MOBILE HOME PARK

$504,862
Arcata, California

Dated: 10/1, 2010

1. **FOR VALUE RECEIVED,** Resident Owned Parks, Inc., a California nonprofit public benefit corporation ("Borrower"), promises to pay to the Arcata Community Development Agency ("Agency" or "Lender"), or order, the principal sum of **FIVE HUNDRED FOUR THOUSAND EIGHT HUNDRED SIXTY TWO DOLLARS ($504,862)**, or the aggregate unpaid principal amount of all Advances and remaining outstanding balance on the Maturity Date, whichever is less, together with interest on any principal amounts remaining unpaid from time to time, to be calculated as set forth below. This Note is made in reference to the following facts:

   A. Borrower is the owner of a the Sandpiper Mobile Home Park located at 115 G. Street, Arcata, CA, and seeks to rehabilitate and improve 20 units of affordable housing located at said Park.

   B. This loan is made pursuant to that particular loan agreement executed on even date herewith between the Borrow, Agency and City of Arcata (the "Loan Agreement") and reflects two components of Agency financing from its 20% housing set-aside fund for the initial acquisition and subsequent rehabilitation of said Park as follows:

      i. **FOUR HUNDRED SIXTY FIVE THOUSAND FOUR HUNDRED SIXTY TWO DOLLARS ($465,462)**; and

      ii. **THIRTY NINE THOUSAND FOUR HUNDRED DOLLARS ($39,400)** of which a portion of said funds have been previously advanced at the rate of 3% per annum ("Prior Loan").

   C. This Note shall be secured by, among other things, a deed of trust of the same date herewith, executed by Borrower, as trustor, in favor of Agency, as beneficiary ("Agency Deed of Trust"), and encumbering the property, located at 115 G Street, Arcata, CA (hereinafter the "Property"), more particularly described in the Agency Deed of Trust, the terms of which are incorporated into this Note as if fully recited herein.

   D. Borrower has also executed on even date herewith a promissory note in favor of the City of Arcata (the "City Note") that is secured by a deed of trust (the "City Deed of Trust") encumbering the Property in a lien position immediately prior to this Note.

   E. As a condition for receiving the above funding, Borrower has executed on even date herewith an agreement regulating and restricting the occupancy, rents, operations, ownership, management, and protecting the affordability of the Property for a period of 55 years (the "Regulatory Agreement").

2. Definitions. All capitalized terms not otherwise defined in this Note shall have the meaning set forth in the Regulatory Agreement, Loan Agreement or Deed of Trust, entered into between the Borrower

and the City on even date herewith. In addition, as used in these Loan Documents, the following terms will have the following meanings:

"**Advance**" will mean a disbursement of loan proceeds by Lender.

"**Default Rate**" will mean a rate of interest per annum equal to the higher of ten percent (10%), compounded annually, or the highest rate permitted by law.

"**Loan Documents**" will mean the Loan Agreement executed between Borrower, the Agency and the City of Arcata of even date herewith, this Note and Deed of Trust, and the Regulatory Agreement executed by Borrower on even date herewith.

"**Maturity Date**" will mean fifty-five (55) years after the date of this Note.

"**Note**" will mean this promissory note evidencing Borrower's obligation to pay Lender on the terms herein specified.

3. Interest. Each Advance will bear simple interest on the unpaid principal amount from the date on which the Advance is disbursed at the rate of three percent (3%) per annum from the date of disbursement until paid. Prior Loan funds previously advanced shall continue to accrue said interest as of the date of said previous advances.

4. Repayment. The principal of the Loan shall be amortized over a 55 year term beginning on the date of this Note. The first payment of principal and interest shall be made no later than April 15, 2011. Thereafter, payments shall be made annually on or before April 15 of each year until the debt is paid in full. Payments shall be made from Residual Receipts in accordance with Section 21 of the Regulatory Agreement and shall be applied first to accrued interest and then to principal on the City portion of the total Loan, and then to accrued interest and then principal on the Agency portion of the total Loan. The final payment of this Note, which will be in an amount equal to the entire outstanding principal balance together with all accrued and unpaid interest, will be due on the Maturity Date.

5. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the Agency, or as set forth in the Loan Agreement.

6. Security. This Note is secured, among other security, by security instruments covering the Property, without limitation, the Deed of Trust and Assignment of Rents of even date herewith (the "Deed of Trust"), executed by the Borrower as Trustor for the benefit of Lender as beneficiary. This Note is the Note referred to in the Deed of Trust, and is entitled to the benefits of the Deed of Trust and other Loan Documents that contain, among other things, provisions for acceleration of the maturity of this Note on the happening of certain stated events.

7. Terms of Payment.

   a. All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

   b. All payments on this Note shall be paid to Agency c/o the City of Arcata Finance Director, 736 F Street, Arcata, CA 95521, or to such other place as the Agency may designate in writing.

   c. All payments on this Note shall be without expense to the Agency, and the Borrower agrees to pay all costs and expenses, including without limitation all costs, re-conveyance fees and

attorney's fees of the Agency, incurred in connection with the payment of this Note and the release of any security hereof. All costs incurred by the holder of this Note in any action to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by Borrower. Borrower will pay to Lender all fees and costs referred to in this Paragraph 7(c) on demand, together with interest from the date of the demand at the Default Rate until paid.

d. Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the Agency may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

e. This Note shall be nonrecourse to Borrower. Regardless of this limitation of liability, Borrower will be fully liable for the following:

1) failure to pay taxes, assessments, and any other charges that could result in liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

2) failure to pay and discharge any mechanics' liens, materialmen's liens, or other liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

3) fraud or intentional misrepresentation with respect to any representations, warranties, or certifications made in the Loan Documents, or otherwise made by Borrower in connection with the loan evidenced by this Note;

4) retention by Borrower of any rental income or other income arising with respect to any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents subsequent to the date of any notice of an Event of Default from Lender to Borrower, or which, under the terms of the Loan Documents, should otherwise have been paid to Lender;

5) all insurance proceeds, condemnation awards, or other similar funds or payments attributable to the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that, by its terms, should have been paid to Lender or used in a manner contrary to the use made by Borrower;

6) waste of the Property, or any other failure to maintain, repair, or restore any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents in accordance with the terms;

7) the removal, demolition, damage, or destruction of any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that is neither consented to in writing by Lender nor fully compensated for by insurance proceeds or condemnation awards;

8) the consequences of the failure of the Loan Documents to constitute a first and prior lien or security interest, as applicable, on the Property or any other collateral pledged, encumbered, or otherwise covered, subject only to those exceptions, if any, permitted by any of the Loan Documents or otherwise approved in writing by Lender; and

9) all legal costs and expenses reasonably incurred by Lender after the giving to Borrower of notice of the occurrence of an Event of Default, other than those customarily incurred by a lender in realizing on its lien in an uncontested foreclosure sale after an undisputed default.

8. Default.

a. Any of the following shall constitute an Event of Default under this Note:

1) Any failure to pay, in full, any payment required under this Note when due following written notice by Agency to Borrower of such failure and ten (10) days opportunity to cure, excepting therefrom partial payment of an annual installment properly made in accordance with Sections 20 and 21 of the Regulatory Agreement;

2) Any failure in the performance by the Borrower of any terms, condition, provision or covenant set forth in any of the Loan Documents subject to the applicable notice and cure period, if any, set forth in the Loan Documents; and

3) The occurrence of any Event of Default under any of the Loan Documents, or other instrument securing the obligations of the Borrower under this Note or under any other promissory note hereafter issued by the Borrower to the Agency pursuant to the Loan Agreement or Deed of Trust, subject to applicable notice and cure periods if any, set forth therein.

b. Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the Agency become immediately due and payable upon written notice by the Agency to the Borrower without further demand.

c. The failure to exercise the remedy set forth in Subsection 8(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by Agency of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option without the express consent of the Agency, except as and to the extent otherwise provided by law.

d. From and after the Maturity Date, or an earlier date on which all sums owing under this Note become due by acceleration or otherwise, all sums owing under this Note will bear interest until paid in full at the Default Rate.

Notwithstanding anything to the contrary herein, any cure of any default or Event of Default made or tendered by the administrative limited partner of Borrower shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

9. Waivers.

a. The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of the Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the Agency may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

b. No extension of time for payment of this Note or any installment hereof made by agreement by the Agency with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

c. The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

10. Miscellaneous Provisions.

a. All notices to the Agency or the Borrowers shall be given in the manner and at the addresses set forth in the Regulatory Agreement, or to such addresses as the Agency and the Borrower may hereinafter designate.

b. The Borrower promises to pay all costs and expenses, including attorney's fees, incurred by the Agency in the enforcement of the provisions of the Note, regardless of whether suit is filed to seek enforcement.

c. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

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

e. The time for the performance of any obligation hereunder shall be strictly construed, time being of the essence.

f. This document, together with the Loan Documents, contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By:_____
Maurice A. Priest, President

Corrected

PROMISSORY NOTE SECURED BY DEED OF TRUST
THE CITY OF ARCATA

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
SANDPIPER MOBILE HOME PARK

$762,000.00
($483,000.00 + 279,000.00)
Arcata, California

Corrected Date: September 7, 2011

CORRECTING
$679,470.00
($400,470.00 + 279,000.00)

Original Date: October 1, 2010

1. **FOR VALUE RECEIVED,** Resident Owned Parks, Inc., a California nonprofit public benefit corporation ("Borrower"), promises to pay to the City of Arcata ("City" or "Lender"), or order, the corrected principal sum of **SEVEN HUNDRED SIXTY TWO THOUSAND DOLLARS AND NO CENTS ($762,000.00)**, or the aggregate unpaid principal amount of all Advances and remaining outstanding balance on the Maturity Date, whichever is less, together with interest on any principal amounts remaining unpaid from time to time, to be calculated as set forth below (the "Loan"). This correction ("Correction") is made to that certain promissory note executed by Borrower on October 1, 2010 evidencing indebtedness to City in the amount $679,470.00 (the "Note") and is made in reference to the following facts:

   A. This Correction evidences indebtedness of Borrower to City made pursuant to that certain loan agreement between the parties dated October 1, 2010 and amended on September 7, 2011 (collectively, the "Loan Agreement") for purposes of the rehabilitation and construction of the Sandpiper Mobile Home Park owned by Borrower and located at 115 G Street, Arcata, CA (the "Property").

   B. The Note is secured by Deed of Trust recorded December 20, 2010 as instrument No. 2010-28354-20 in the official records of Humboldt County.

   C. The Note when executed on October 1, 2010 consolidated Borrower's indebtedness to City arising from two sources of funds promised from the City's Home Investment Partnership (HOME) Program as follows:

      i. **$400,470.00** - committed October 1, 2010; and
      ii. **$ 279,000.00** - committed March 8, 2007.

   D. Pursuant to Loan Agreement Amendment No. 1, the City replaced and augmented the **$400,470.00** HOME funding with funds from the **City's Housing Improvement Project Fund, Public Improvement Project Fund, and/or Housing Successor Fund** in the total amount of **$483,000.00.**

   E. The total corrected amount of Borrower's indebtedness to City is $762,000.00 ("Corrected Indebtedness"), which represents $483,000.00 committed on September 7, 2011 to replace and augment prior HOME funds, plus $279,000.00 committed March 8, 2007.

2. Security. Borrower expressly acknowledges that the Corrected Indebtedness is secured by Deed of Trust recorded December 20, 2010 as instrument No. 2010-28354-20 in the official records of Humboldt County encumbering the Property.

3. Repayment. The principal of the Loan shall be amortized over a 55 year term beginning on the date of this Note, October 1, 2010. The first payment of principal and interest shall be made no later than April 15, 2013. Thereafter, payments shall be made annually on or before April 15 of each year until the debt is paid in full. Payments shall be made from Residual Receipts in accordance with Section 21 of the Regulatory Agreement and shall be applied first to accrued interest and then to principal on the City portion of the total Loan, and then to accrued interest and then principal on the Agency portion of the total Loan. The final payment of this Note, which will be in an amount equal to the entire outstanding principal balance together with all accrued and unpaid interest will be due on the Maturity Date.

4. Ratification. Except as modified herein, Borrower ratifies all terms of indebtedness as evidenced in the October 1, 2010 $679,470.00 Promissory Note. Except as modifying the terms thereof, this Correction shall be integrated into said Note as if stated therein.

Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By: _____
Maurice A. Priest, President

AFTER EXECUTION BY BORROWER, THE CITY SHALL AFFIX THIS CORRECTION TO THE ORIGINAL NOTE

PROMISSORY NOTE SECURED BY DEED OF TRUST

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
SANDPIPER MOBILE HOME PARK

$679,470
Arcata, California

Dated: 10/1, 2010

1. **FOR VALUE RECEIVED,** Resident Owned Parks, Inc., a California nonprofit public benefit corporation ("Borrower"), promises to pay to the City of Arcata ("City" or "Lender"), or order, the principal sum of **SIX HUNDRED SEVENTY NINE THOUSAND FOUR HUNDRED SEVENTY DOLLARS ($679,470.00)**, or the aggregate unpaid principal amount of all Advances and remaining outstanding balance on the Maturity Date, whichever is less, together with interest on any principal amounts remaining unpaid from time to time, to be calculated as set forth below. This Note is made in reference to the following facts:

A. Borrower is the owner of the Sandpiper Mobile Home Park located at 115 G Street, Arcata, CA, and seeks financial assistance to rehabilitate and improve 20 units of affordable housing located at said Mobile Home Park.

B. This loan is made pursuant to that particular loan agreement executed on even date herewith between the Borrow, Agency and City of Arcata (the "Loan Agreement") and reflects two components of City financing from the City's Home Investment Partnership (HOME) Program Income for the initial acquisition and subsequent rehabilitation of said Park as follows:

   i. **FOUR HUNDRED THOUSAND FOUR HUNDRED SEVENTY DOLLARS ($400,470)**; and
   ii. **TWO HUNDRED SEVENTY NINE THOUSAND DOLLARS ($279,000)** of which a portion of said funds have been previously advanced at the rate of 3% per annum ("Prior Loan").

C. This Note shall be secured by, among other things, a deed of trust of the same date herewith, executed by Borrower, as trustor, in favor of City, as beneficiary ("City Deed of Trust"), and encumbering the property, located at 115 South G. Street, Arcata, CA 95521 (hereinafter the "Property"), more particularly described in the City Deed of Trust, the terms of which are incorporated into this Note as if fully recited herein.

D. Borrower has also executed on even date herewith a promissory note in favor of the Arcata Community Development Agency (the "Agency Note") that is secured by a deed of trust (the "Agency Deed of Trust") encumbering the Property in a lien position immediately subordinate to this Note.

E. As a condition for receiving the above funding, Borrower has executed on even date herewith an agreement regulating and restricting the occupancy, rents, operations, ownership, management, and protecting the affordability of the Property for a period of 55 years (the "Regulatory Agreement").

2. Definitions. All capitalized terms not otherwise defined in this Note shall have the meaning set forth in the Regulatory Agreement, Loan Agreement or Deed of Trust, entered into between the Borrower and the City on even date herewith. In addition, as used in these Loan Documents, the following terms will have the following meanings:

"**Advance**" will mean a disbursement of loan proceeds by Lender.

"**Default Rate**" will mean a rate of interest per annum equal to the higher of ten percent (10%), compounded annually, or the highest rate permitted by law.

"**Loan Documents**" will mean the Loan Agreement executed between Borrower, the City and the Arcata Community Development Agency of even date herewith, this Note and Deed of Trust, and the Regulatory Agreement executed by Borrower on even date herewith.

"**Maturity Date**" will mean fifty-five (55) years after the date of this Note.

"**Note**" will mean this promissory note evidencing Borrower's obligation to pay Lender on the terms herein specified.

3. Interest. Each Advance will bear simple interest on the unpaid principal amount from the date on which the Advance is disbursed at the rate of three percent (3%) per annum from the date of disbursement until paid. Prior Loan funds previously advanced shall continue to accrue said interest as of the date of said previous advances.

4. Repayment. The principal of the Loan shall be amortized over a 55 year term beginning on the date of this Note. The first payment of principal and interest shall be made no later than April 15, 2011. Thereafter, payments shall be made annually on or before April 15 of each year until the debt is paid in full. Payments shall be made from Residual Receipts in accordance with Section 21 of the Regulatory Agreement and shall be applied first to accrued interest and then to principal on the City portion of the total Loan, and then to accrued interest and then principal on the Agency portion of the total Loan. The final payment of this Note, which will be in an amount equal to the entire outstanding principal balance together with all accrued and unpaid interest will be due on the Maturity Date.

5. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the Lender, or as set forth in the Loan Agreement.

6. Security. This Note is secured, among other security, by security instruments covering the Property, without limitation, the Deed of Trust and Assignment of Rents of even date herewith (the "Deed of Trust"), executed by the Borrower as Trustor for the benefit of City as beneficiary. This Note is the Note referred to in the Deed of Trust, and is entitled to the benefits of the Deed of Trust and other Loan Documents that contain, among other things, provisions for acceleration of the maturity of this Note on the happening of certain stated events.

7. Terms of Payment.

a. All payments on this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

b. All payments on this Note shall be paid to City of Arcata Finance Director, 736 F Street, Arcata, CA 95521, or to such other place as the City may from designate in writing.

c. All payments on this Note shall be without expense to the City, and the Borrower agrees to pay all costs and expenses, including without limitation all costs, re-conveyance fees and attorney's fees of the City, incurred in connection with the payment of this Note and the release of any security hereof. All costs incurred by the holder of this Note in any action to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by Borrower. Borrower will pay to Lender all fees and costs referred to in this Paragraph 7(c) on demand, together with interest from the date of the demand at the Default Rate until paid.

d. Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the City may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

e. This Note shall be nonrecourse to Borrower. Regardless of this limitation of liability, Borrower will be fully liable for the following:

1) failure to pay taxes, assessments, and any other charges that could result in liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

2) failure to pay and discharge any mechanics' liens, materialmen's liens, or other liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

3) fraud or intentional misrepresentation with respect to any representations, warranties, or certifications made in the Loan Documents, or otherwise made by Borrower in connection with the loan evidenced by this Note;

4) retention by Borrower of any rental income or other income arising with respect to any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents subsequent to the date of any notice of an Event of Default from Lender to Borrower, or which, under the terms of the Loan Documents, should otherwise have been paid to Lender;

5) all insurance proceeds, condemnation awards, or other similar funds or payments attributable to the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that, by its terms, should have been paid to Lender or used in a manner contrary to the use made by Borrower;

6) waste of the Property, or any other failure to maintain, repair, or restore any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents in accordance with the terms;

7) the removal, demolition, damage, or destruction of any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that is neither consented to in writing by Lender nor fully compensated for by insurance proceeds or condemnation awards;

8) the consequences of the failure of the Loan Documents to constitute a first and prior lien or security interest, as applicable, on the Property or any other collateral pledged, encumbered, or otherwise covered, subject only to those exceptions, if any, permitted by any of the Loan Documents or otherwise approved in writing by Lender; and

9) all legal costs and expenses reasonably incurred by Lender after the giving to Borrower of notice of the occurrence of an Event of Default, other than those customarily incurred by a lender in realizing on its lien in an uncontested foreclosure sale after an undisputed default.

8. Default.

a. Any of the following shall constitute an Event of Default under this Note:

1) Any failure to pay, in full, any payment required under this Note when due following written notice by City to Borrower and Borrower's administrative limited partner of such failure and ten (10) days opportunity to cure, excepting therefrom partial payment of an annual installment properly made in accordance with Sections 20 and 21 of the Regulatory Agreement;

2) Any failure in the performance by the Borrower of any terms, condition, provision or covenant set forth in any of the Loan Documents subject to the applicable notice and cure period, if any, set forth in the Loan Documents; and

3) The occurrence of any Event of Default under any of the Loan Documents, or other instrument securing the obligations of the Borrower under this Note or under any other promissory note hereafter issued by the Borrower to the City pursuant to the Loan Agreement or Deed of Trust, subject to applicable notice and cure periods if any, set therein.

b. Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the City become immediately due and payable upon written notice by the City to the Borrower without further demand.

c. The failure to exercise the remedy set forth in Subsection 8(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by City of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option without the express consent of the City, except as and to the extent otherwise provided by law.

d. From and after the Maturity Date, or an earlier date on which all sums owing under this Note become due by acceleration or otherwise, all sums owing under this Note will bear interest until paid in full at the Default Rate.

Notwithstanding anything to the contrary herein, any cure of any default or Event of Default made or tendered by the administrative limited partner of Borrower shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

9. Waivers.

a. The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of the Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the City may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

b. No extension of time for payment of this Note or any installment hereof made by agreement by the City with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

c. The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

10. Miscellaneous Provisions.

a. All notices to the City or the Borrowers shall be given in the manner and at the addresses set forth in the Regulatory Agreement, or to such addresses as the City and the Borrower may hereinafter designate.

b. The Borrower promises to pay all costs and expenses, including attorney's fees, incurred by the City in the enforcement of the provisions of the Note, regardless of whether suit is filed to seek enforcement.

c. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

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

e. The time for the performance of any obligation hereunder shall be strictly construed, time being of the essence.

f. This document, together with the Loan Documents, contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By: _____
Maurice A. Priest, President

2010-28350-2
Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder
ecorded by FIDELITY NATIONAL TITLE CO.
Rec Fee 14.00
Clerk: MM Total: 14.00
Dec 20, 2010 at 15:06

Recording requested by
and when recorded return to:

City Clerk,
City of Arcata
736 F Street
Arcata, California 95521

I

APN:503-224-046

RELEASE OF
REGULATORY AGREEMENT

The City of Arcata hereby fully releases the real property ("Property") located at 115 G. Street, Arcata, CA, more particularly described in Exhibit A, attached hereto and incorporated herein, from any and all terms and conditions of that particular document entitled, *REGULATORY AGREEMENT, THE CITY OF ARCATA HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), HCD HOME LOAN NUMBER 06-HOME PI-MFP-001 SANDPIPER MOBILE HOME PARK*, recorded March 9, 2007 as Instrument No. 2007-8124-30, in the Humboldt County Records. Executed by Resident Owned Parks, a California non-profit public benefit corporation

IN WITNESS WHEREOF, the undersigned has signed this Release on this _____ day of November, 2010.

City of Arcata

By: Randall J. Mendosa
Randal J. Mendosa, City Manager

ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF HUMBOLDT }

On November 1, 2010 before me C. Coronado, Notary Public
(here insert name and title of the officer)
personally appeared Randal J. Mendosa, 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 _____

C. CORONADO
Commission # 1741881
Notary Public - California
Humboldt County
My Comm. Expires Apr 26, 2011

First Regulatory Agreement, Release
Sandpiper

(1)

EXHIBIT A

LEGAL DESCRIPTION

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

PROMISSORY NOTE SECURED BY DEED OF TRUST

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
SANDPIPER MOBILE HOME PARK

$318,400
Arcata, California

Dated: 3/8, 2007

1. **FOR VALUE RECEIVED,** Resident Owned Parks, Inc., a California nonprofit public benefit corporation ("Borrower"), promises to pay to the Arcata Community Development Agency ("Agency"), or order, the principal sum of THIRTY NINE THOUSAND FOUR HUNDRED Dollars ($39,400), and to the City of Arcata ("City"), or order, the principal sum of TWO HUNDRED SEVENTY NINE THOUSAND DOLLARS ($279,000), representing a total principal amount of THREE HUNDRED EIGHTEEN THOUSAND FOUR HUNDRED Dollars ($318,400) or the aggregate unpaid principal amount of all Advances and remaining outstanding balance on the Maturity Date, whichever is less, together with interest on any principal amounts remaining unpaid from time to time, to be calculated as set forth below.

2. Definitions. All capitalized terms not otherwise defined in this Note shall have the meaning set forth in the Regulatory Agreement, Loan Agreement or Deed of Trust, entered into between the Borrower and the City on even date herewith. In addition, as used in these Loan Documents, the following terms will have the following meanings:

"**Advance**" will mean a disbursement of loan proceeds by Lender.

"**Default Rate**" will mean a rate of interest per annum equal to the higher of ten percent (10%), compounded annually, or the highest rate permitted by law.

"**Maturity Date**" will mean fifty-five (55) years after the date of the Notice of Completion for the Development, but in no event more than fifty-eight (58) years after the date of the Loan Agreement, or any earlier date on which the indebtedness evidenced by this Note is due pursuant to the terms of any of the Loan Documents.

"**Note**" will mean this promissory note evidencing Borrower's obligation to pay Lender on the terms herein specified.

3. Interest. Each Advance will bear simple interest on the unpaid principal amount from the date on which the Advance is disbursed at the rate of three percent (3%) per annum from the date of disbursement until paid.

4. Repayment. The principal of the Loan shall be amortized over a 55 year term beginning on the date of the Notice of Completion. The first payment of principal and interest shall be made no later than April 15, 2008. Thereafter, payments shall be made annually on or before April 15 of each year until the debt is paid in full. Payments shall be made from Residual Receipts in accordance with Section 21 of the Regulatory Agreement and shall be applied first to accrued interest and then to principal on the Agency portion of the total Loan, and then to accrued interest and then principal on the City portion of the total Loan. The final payment of this Note, which will be in an amount equal to the entire outstanding principal balance together with all accrued and unpaid interest will be due on the Maturity Date.

5. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the Lender, or as set forth in the City Loan Agreement.

6. Security. This Note is secured, among other security, by security instruments covering the Property, without limitation, the Deed of Trust and Assignment of Rents of even date herewith (the "Deed of Trust"), executed by the Borrower as Trustor for the benefit of Lender as beneficiary. This Note is the Note referred to in the Deed of Trust, and is entitled to the benefits of the Deed of Trust and other Loan Documents that contain, among other things, provisions for acceleration of the maturity of this Note on the happening of certain stated events.

7. Terms of Payment.

a. All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

b. All payments on this Note shall be paid to City at the office of the City, 736 F Street, Arcata, California 95521, Attn: City Manager, or to such other place as the City may from time to time designate in writing.

c. All payments on this Note shall be without expense to the City, and the Borrower agrees to pay all costs and expenses, including without limitation all costs, re-conveyance fees and attorney's fees of the City, incurred in connection with the payment of this Note and the release of any security hereof. All costs incurred by the holder of this Note in any action to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by Borrower. Borrower will pay to Lender all fees and costs referred to in this Paragraph 7(c) on demand, together with interest from the date of the demand at the Default Rate until paid.

d. Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the City may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

e. This Note shall be nonrecourse to Borrower. Regardless of this limitation of liability, Borrower will be fully liable for the following:

1) failure to pay taxes, assessments, and any other charges that could result in liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

2) failure to pay and discharge any mechanics' liens, materialmen's liens, or other liens against any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents;

3) fraud or intentional misrepresentation with respect to any representations, warranties, or certifications made in the Loan Documents, or otherwise made by Borrower in connection with the loan evidenced by this Note;

4) retention by Borrower of any rental income or other income arising with respect to any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents subsequent to the date of any notice of an Event of Default from Lender to Borrower, or which, under the terms of the Loan Documents, should otherwise have been paid to Lender;

5) all insurance proceeds, condemnation awards, or other similar funds or payments attributable to the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that, by its terms, should have been paid to Lender or used in a manner contrary to the use made by Borrower;

6) waste of the Property, or any other failure to maintain, repair, or restore any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents in accordance with the terms;

7) the removal, demolition, damage, or destruction of any portion of the Property or any other collateral pledged, encumbered, or otherwise covered by the Loan Documents that is neither consented to in writing by Lender nor fully compensated for by insurance proceeds or condemnation awards;

8) the consequences of the failure of the Loan Documents to constitute a first and prior lien or security interest, as applicable, on the Property or any other collateral pledged, encumbered, or otherwise covered, subject only to those exceptions, if any, permitted by any of the Loan Documents or otherwise approved in writing by Lender; and

9) all legal costs and expenses reasonably incurred by Lender after the giving to Borrower of notice of the occurrence of an Event of Default, other than those customarily incurred by a lender in realizing on its lien in an uncontested foreclosure sale after an undisputed default.

8. Default.

a. Any of the following shall constitute an Event of Default under this Note:

1) Any failure to pay, in full, any payment required under this Note when due following written notice by City to Borrower and Borrower's administrative limited partner of such failure and ten (10) days opportunity to cure, excepting therefrom partial payment of an annual installment properly made in accordance with Sections 20 and 21 of the Regulatory Agreement;

2) Any failure in the performance by the Borrower of any terms, condition, provision or covenant set forth in any of the Loan Documents subject to the applicable notice and cure period, if any, set forth in the Loan Documents; and

3) The occurrence of any Event of Default under any of the Loan Documents, or other instrument securing the obligations of the Borrower under this Note or under any other promissory note hereafter issued by the Borrower to the City pursuant to the Loan Agreement or Deed of Trust, subject to applicable notice and cure periods if any, set therein.

b. Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the City become immediately due and payable upon written notice by the City to the Borrower without further demand.

c. The failure to exercise the remedy set forth in Subsection 8(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by City of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option without the express consent of the City, except as and to the extent otherwise provided by law.

d. From and after the Maturity Date, or an earlier date on which all sums owing under this Note become due by acceleration or otherwise, all sums owing under this Note will bear interest until paid in full at the Default Rate.

Notwithstanding anything to the contrary herein, any cure of any default or Event of Default made or tendered by the administrative limited partner of Borrower shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

9. Waivers.

a. The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of the Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the City may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

b. No extension of time for payment of this Note or any installment hereof made by agreement by the City with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

c. The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

10. Miscellaneous Provisions.

a. All notices to the City or the Borrowers shall be given in the manner and at the addresses set forth in the Regulatory Agreement, or to such addresses as the City and the Borrower may hereinafter designate.

b. The Borrower promises to pay all costs and expenses, including attorney's fees, incurred by the City in the enforcement of the provisions of the Note, regardless of whether suit is filed to seek enforcement.

c. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

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

e. The time for the performance of any obligation hereunder shall be strictly construed, time being of the essence.

f. This document, together with the Loan Documents, contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By: _____
Maurice A. Priest, President

RECORDING REQUESTED BY:

City of Arcata

WHEN RECORDED MAIL TO:

City Clerk
City of Arcata
736 F Street
Arcata, CA 95521

Certified to be a true copy of
document recorded 3.9.07
Instrument No. 2007-8124-30
Book _____ Page _____
Humboldt County Records
Fidelity National Title By _____

APN 503-224-046

REGULATORY AGREEMENT

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
HCD HOME LOAN NUMBER 06-HOME PI-MFP-001
SANDPIPER MOBILE HOME PARK

8th THIS REGULATORY AGREEMENT (the "Agreement") is made and entered into this _____ day of March 2007, by and among, Resident Owned Parks, a California nonprofit public benefit corporation (the "Borrower"), and the City of Arcata (the "City"), a political subdivision of the State of California.

Recitals

A. The Borrower is or will be the owner or holder of a fee estate in real property located at 115 G Street (APN 503-224-046), in the City of Arcata, California, more fully described in Exhibit A attached hereto and incorporated herein (the "Property").

B. The Borrower has proposed to acquire, rehabilitate, and manage the Property by constructing thereon improvements to a 21-unit mobile home rental park, commonly known as the Sandpiper Mobile Home Park, consisting of 20 units of manufactured home rental sites and 1 wood frame apartment (the "Development"). The Sand Piper Mobile Home Park holds Permit # 12-0041-MP issued by the California Department of Housing and Community Development.

C. Of the 21 units, ten (10) will be occupied by moderate income households; seven (7) by low income households and four (4) by very low income households in accordance with the HOME Regulations.

D. The Property will be acquired and the Development will be constructed by gap financing in whole or in part provided and regulated by a permanent loan in a principal amount not to exceed Three Hundred Eighteen Thousand Four Hundred Dollars ($318,400) (the "Loan") from the Home Investment Partnerships Program (the "HOME Program") ($279,000) and the Arcata Community Development Agency ("Agency") ($39,400). The Loan will be provided to Borrower by the City in accordance with 42 USC 12741 et seq., 24 CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code of Regulations, Sections 8200 through 8220, (together, the "HOME Regulations") and California Health and Safety Code Sections 33000 et seq (together the "Redevelopment Law").

E. The City has completed an underwriting analysis and submitted the required "Set-up" documentation to the State Department of Housing and Community Development ("HCD") in accordance with the HOME Regulations and has received written authorization from HCD to expend the HOME Program Income Funds on the Sandpiper Mobile Home Park Acquisition and Rehabilitation affordable housing project.

F. The proceeds of the Loan shall be disbursed, used and governed by the HOME Program Income Set-up documents, HOME Program Regulations, a City Loan Agreement by and between the City of Arcata and Borrower (herein the "Loan Agreement"), a promissory note executed by Borrower ("Note"), and a deed of trust with assignment of rents ("Deed of Trust") executed by Borrower in favor of the City.

G. Borrower agrees to abide by all provisions of the current HOME Program Grant Management Manual, a copy of which is on file with the City of Arcata Department of Community Development, the Loan Agreement, Note and Deed of Trust.

H. The Loan Agreement, Note and Deed of Trust, including all exhibits and attachments thereto, are fully incorporated by reference into this Agreement. In the event of any inconsistencies between the terms set forth in the Loan Agreement, Note or Deed of Trust and the terms of this Regulatory Agreement, the terms of this Regulatory Agreement shall prevail.

I. As further consideration for the Loan and in furtherance of the purposes of the HOME Program and Agency Affordable Housing Program, Borrower has agreed to enter into this Regulatory Agreement. The purpose of this Regulatory Agreement is to regulate and restrict occupancy, rents, operations, ownership and management of the Development in compliance with the requirements of the HOME Program and Agency Affordable Housing Program. This Agreement is not to be construed as altering any zoning, building or other regulations of the City, nor is this Agreement to be considered a development agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Recitals. The foregoing recitals are a part of this Agreement.

2. Property. The Development will be located on the Property.

3. Definitions. Unless specifically defined in this Agreement or the context requires otherwise, the terms used in this Agreement shall be governed by the definitions set forth in 24 CFR Part 92, and 25 Cal. Code of Regulations section 8201. All references to code sections refer to Title 25 of the California Code of Regulations. All capitalized terms not otherwise defined in this Regulatory Agreement shall have the meaning set forth in the City Loan Agreement. In addition, as used in this Agreement, the following terms will have the following meanings:

   a. "Affordable Rent" means those rents as defined in Exhibit B, which shall be subject to annual revision. Affordable Rent shall not exceed the following appropriate maximum (references to Unit Types is to those specified in Table 1 of Exhibit B):

      1) For Moderate-Income Households: In accordance with California Health and Safety Code section 50053, Affordable Rent, including a reasonable Utility Allowance, shall not exceed the product of 30% times 110 percent of the area median income adjusted for family size

appropriate for the unit. Unit Type A initial occupancy is based on 16% times 110 percent of median income for a two bedroom unit and Unit Type B is based on a one bedroom unit;

2) For Low-Income Households: The lesser of the Fair Market Rents or a rent that does not exceed thirty percent (30%) of sixty five percent (65%) of the area median income (as per 24 CFR 92.252). Unit Type A initial occupancy is based on 16% times 65 percent of median income for a two bedroom unit and Unit Type B is based on a one bedroom unit; or

3) For Very-Low Income Households: Thirty percent (30%) of fifty percent (50%) of the area median income (as per 24 CFR 92.252). Unit Type A initial occupancy is based on 16% times 50 percent of median income for a two bedroom unit and Unit Type B is based on a one bedroom unit.

b. "Assisted Unit" means a dwelling unit, the rehabilitation or construction of which was assisted with proceeds of the Loan.

c. "Eligible Households" means Moderate-Income Households, Low-Income Households or Very Low-Income Households as defined by the HCD for Humboldt County.

d. "Fiscal Integrity" means that the total of Operating Income plus funds released pursuant to this Agreement from the Operating Reserve Account is sufficient to:

1) Pay all current Operating Expenses;

2) Pay all current approved debt service; and

3) Fully fund for at least twelve consecutive months all reserves established pursuant to this Agreement.

The ability to pay any or all of the annual permitted Residual Receipts and Distributions as outlined in Section 21 shall not be considered in determining Fiscal Integrity.

e. "Initial Operating Year" means the first year of operations, or portion thereof, of the Development beginning at the time of initial occupancy of any unit in the Development and ending on the last day of the fiscal year for that first year.

f. "Low-Income Household" means persons or families whose incomes are less than eighty percent (80%) of the area median income as determined by the HUD.

g. "Manufactured Home" means any type of non-motorized manufactured housing unit (excluding recreational vehicles) that was built after 1976 that meets the definition in 24 CFR 3280 and is connected to permanent electric, water, sewer, and natural gas utility hook-ups.

h. "Moderate Income Household" means persons and families whose income does not exceed one hundred twenty percent (120%) of the area median income as determined by HUD.

i. "Notice of Completion" means the determination by the City of Arcata Community Development Department that all permit conditions and conditions of approval for the Development have been satisfied, and issuance of written confirmation thereof.

j. "Operating Expenses" means the amount approved by the City that is necessary to pay for the essential recurring expenses of the Development, including, but not limited to, utilities, maintenance, management, taxes, licenses, and mandatory direct or supportive tenant services but not including debt service, required reserve account deposits, or costs for voluntary direct or supportive tenant services.

k. "Operating Income" means all income generated in connection with operation of the rental housing Development including rental income from Assisted Units and non-assisted units, rental income from nonresidential space, laundry or equipment rental fees, rental subsidy payments, and interest on any accounts related to the rental housing Development. "Operating Income" does not include tenant security and equipment deposits, payments received from voluntary direct or supportive tenant services, or tax benefits received by the sponsor.

l. "Rent" means all charges, other than deposits, paid by the tenant for the use and occupancy of an Assisted 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 HUD.

m. "Residual Receipts" means project funds remaining after payment of expenses as described in Section 20.

n. "Utility Allowance" means the rent allowance for approved utility services for each Assisted Unit as determined and published annually by the Eureka Housing Authority, or successor organization responsible for establishing such rates for the Assisted Units.

o. "Very Low-Income Household" means low-income persons or families whose incomes are fifty percent (50%) or less of the area median income as determined by HUD.

4. Compliance With Program Requirements

a. The Borrower agrees that at all times its acts regarding the Development and the use of funds provided herein shall be in conformity with all provisions of the HOME Program including the statutes, the HOME Regulations and such policies and procedures of the HCD and of HUD pertaining thereto. The Borrower acknowledges that it is familiar with such applicable provisions and has been professionally advised to the extent necessary for the purpose of enabling the Borrower to fully comply with such provisions.

b. The financial assistance provided under the HOME Program is governed by 24 CFR Part 92. With respect to the assistance, Borrower agrees to comply with all requirements and obligations as described in 24 CFR Part 92, as well as all provisions governing the use of HOME funds. Borrower agrees to comply with the directives of the City as necessary to ensure compliance with the obligations of the City as set forth in its agreements with HUD regarding the use of HOME funds.

5. Term of Agreement The term of this Agreement shall commence upon the effective date of the Agreement written above and remain in full force and effect and shall apply to the Development through and including the date which is fifty-five (55) years from the date of Notice of Completion for the Development regardless of any prepayment of the Loan or sale, assignment, transfer or conveyance of the Development, unless terminated earlier by the City pursuant to the terms of this Agreement or extended by the mutual consent of the parties thereto. This Agreement shall run with and burden the Property and on terms, conditions, exceptions, obligations, reservations and

restrictions hereby imposed, shall be deemed covenants and restrictions running with the land, and shall be effective limitations on the use of the Property from the date of recordation of this document and shall bind the Borrower and all its successors in interest and assigns.

6. Tenant Selection Standards, Assisted Unit Schedule. The parties acknowledge that after the execution of the Loan Agreement, Borrower completed the income certification of all Units and determined that the actual incomes and occupancy do not conform with rent and income levels agreed to in Table 1 of Exhibit B. As a result of initial non-conformity, Borrower agrees to rent Assisted Units only in accordance with the schedule set forth in Exhibit C upon initial occupancy following the close of escrow in order to bring the rental schedule into conformity as expeditiously as possible. Under the methodology of Exhibit C, Borrower shall rent the next available unit at the appropriate rent level at annual Certification of Tenant Income and Household Size as outlined in Section 12, or at vacancy and initial occupancy. Under this schedule, Very-Low Income Households simultaneously satisfy Low-Income Household rent requirements; thus, the next two (2) Moderate Income Household Units that become available shall be rented to qualified Low-Income Households. After these two Units are rented to Low-Income Households and the City determines that the project conforms to Section 10(b) of the Regulatory Agreement, Exhibit C shall no longer be in effect and the project rents and incomes shall be as specified in Exhibit B.

7. Management Plan. No later than thirty (30) days after the execution of this Agreement, Borrower shall submit to the City a plan for the management and tenant selection procedures for the Development ("Management Plan") for review and approval. The City shall keep the Management Plan on file. In conjunction with the review of the Annual Operating Budget pursuant to Section 18, the Management Plan may be reviewed and revised at the request of the City or the Borrower and such revision must be submitted to and approved by the City prior to use. Borrower shall rent Assisted Units in the Development only to Eligible Households in accordance with the Management Plan. The Management Plan shall among other things contain the following information:

   a. Detail of actions to be taken by Borrower to affirmatively market vacant units in a manner which ensures equal access to all persons in any category protected by federal, state or local laws governing discrimination, and regardless of any arbitrary factor;

   b. Specify reasonable criteria for determination of tenant eligibility, including household size in accordance with the minimum occupancy standard specified in the HOME Regulations;

   c. Require that eligible tenants be selected based on order of applications, lottery, or other reasonable method approved by the City;

   d. Specify procedures through which tenant applicants deemed to be ineligible shall be notified of the reason for their ineligibility and may appeal this determination;

   e. Require maintenance of a waiting list of eligible applicants;

   f. Specify procedures for obtaining information regarding prospective tenants' incomes as necessary to certify that such income does not exceed the lower or very low-income limit;

   g. Specify the utility services subject to the Utility Allowance;

   h. Identify methods for achieving the rent schedule as set forth in Exhibit B and maintaining the required household income balance for all units of the Development in a ratio of twenty percent

(20%) Very-Low Income (4 units), thirty percent (30%) Low-Income (7 units) and fifty percent (50%) moderate Income (10 units);

i. List the annual dates on which each report, audit or other monitoring document is required to be delivered to the City; and

8. Nondiscrimination. Borrower shall not discriminate against any tenant or prospective tenant on the basis of race, religion, sex, age, disability, marital status, nor any other arbitrary factor in violation of any state, federal or local law governing discrimination in rental housing. Housing which is intended to benefit, and is therefore limited to senior citizens, is permitted only with the prior approval of the selection criteria by the City.

9. Rental Agreement and Occupancy Procedures (the "Lease").

a. Each Eligible Household selected to occupy a unit in the Development shall enter into a written rental agreement with the Borrower on a form approved by the City containing such provisions as are required by the HOME Regulations. The Lease shall be for a term of not less than six months.

b. 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 the Borrower or Borrower's Agent in a lawsuit brought in connection with the lease;

2) Agreement by the tenant that the Borrower 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, does 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. The Borrower may dispose of this personal property in accordance with state law;

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

4) Agreement of the tenant that the Borrower or Borrower's Agent may institute a lawsuit without notice to the tenant;

5) Agreement by the tenant that the Borrower or Borrower'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.

c. The Borrower shall provide to tenants:

1) A notice of eligibility to form a Homeowners Association, and stating that the Homeowners Association shall be eligible to purchase the Sandpiper Mobile Home Park from Resident Owned Parks after thirty (30) years from the date of this Regulatory Agreement.

2) A notice of Manufactured Home sale and/or purchase requirements including health and safety requirements and inspections for Manufactured Homes moved into the Sandpiper Mobile Home Park after rehabilitation as per Section 10 (f) of this Regulatory Agreement. Said Notice shall provide tenants a copy of the HUD form 52580 Inspection Checklist.

d. The Borrower shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and the HOME Regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any change shall become effective no fewer than 30 days after giving written notice thereof to each household.

e. The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME Program funds except for serious or repeated violation of the terms and conditions of the Lease; for violation of tenancy period; or for other good cause. Any termination or refusal to renew a Lease shall be by the owner's service upon the tenant of a written notice in compliance with State law and specifying the grounds for the action.

f. The Borrower shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

10. Rent.

a. For all Assisted Units, Rent shall not exceed Affordable Rent less a Utility Allowance.

b. Twenty percent (20 %) of all Assisted Units (4 units total) shall be occupied by Very Low-Income Households, thirty percent (30%) of all Assisted Units (7 units total) shall be occupied by Low-Income Households, and fifty percent (50%) of all Assisted Units (10 units total) shall be occupied by Moderate Income Households.

c. Each year following rehabilitation and not before, rent for an Assisted Unit may be increased by an annual amount not greater than the percentage increase in median income for the area in which the rental housing development is located. Rent may be adjusted only one time in any calendar year and increases must not exceed 3% in any one year period except as provided in Section 12.

d. In every case of proposed rent increase, the tenant(s) affected by such increase shall receive written notice of the amount of the increase at least 60 days prior to the effective date of such increase.

e. All rental spaces will be rented to Manufactured Homes meeting the definition at Section (3)(g) of this Regulatory Agreement.

f. All Manufactured Homes moved into a rental space after rehabilitation is complete must be ✳ newly constructed Manufactured Homes and meet the code requirements in 24 CFR 3280. Manufactured homes moved into a space after rehabilitation may remain on-site if the Manufactured Home continues to meet the code requirements in 24 CFR 3280 with approved

HUD form 52580 Inspection Checklist, and continues to meet the definition at Section (3)(g) of this Regulatory Agreement.

g. All existing housing units on-site after rehabilitation shall be connected to permanent electric, water, sewer, and natural gas utility hook-ups.

11. Security Deposits.

a. Security deposits shall be required of tenants only in accordance with State law and this Agreement.

b. Any security deposits collected by the Borrower or Borrower's agent shall be kept separate and apart from all other funds of the Development in a trust account with a depository insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or other comparable federal deposit insurance program, and shall be held and disbursed in accordance with State law. The balance of such account shall at all times equal or exceed the aggregate of all outstanding obligations under said account, plus accrued interest thereon.

12. Certification of Tenant Income and Household Size.

a. The income and household size of all households occupying Assisted Units shall be certified by the Borrower prior to occupancy and re-certified annually thereafter in a manner approved by the City and specified in the Development's Management Plan.

b. Where a household occupying a unit designated for occupancy by a Very Low-Income Household no longer qualifies at the time of re-certification, but qualifies as an otherwise income eligible Low Income or Moderate Income Household, the rents appropriated for that income level shall be charged.

c. If the income of a tenant upon re-certification exceeds the upper limit for Moderate-Income Households, and there are no other requirements statutorily imposed by another federal or State funding source, that tenant shall not have its Lease terminated as a result thereof, but shall be charged Rents at the Market Rate as defined by HCD.

d. If the reclassification of the unit makes the project temporarily out of compliance with the unit mix as outlined in Section 10, the Borrower shall rent the next available unit to at the appropriate rent level to make the project in compliance with Section 10.

e. The tenant shall occupy the Assisted Unit as the tenant's principal place of residence defined as living in the Unit for at least ten (10) months out of each calendar year. On or before February 1 of each calendar year, the Borrower shall require the tenants to provide an annual written Certification to the City in the form shown in Exhibit E that the tenant is occupying the Unit as his or her principal place of residence, and that tenant is not subleasing or renting the Unit or space to another party.

The tenant shall not rent or lease the Unit or space to another party, unless such rental or lease is first approved in writing by the Borrower. The Borrower shall approve the renting or leasing of the Unit or space only if all of the following conditions are met: (1) the term of the rental or lease is not greater than twelve (12) months and cannot be extended without City approval; (2) the Borrower demonstrates to the City's reasonable satisfaction that the tenant will incur substantial

hardship if he or she is not permitted to rent or lease the Unit or space to a third party; (3) the tenant qualifies as an Income Eligible Household, as certified to the City, and (4) the rent for the Unit or space does not exceed rent determined by the City to be affordable to an Income Eligible Household. Any rental or lease of the Unit or space in violation of this Agreement is prohibited, and shall be a default under this Agreement. The Borrower further agrees to notify tenants that, in the event the tenant rents or leases the Unit to a third party in violation of this Section, any excess rents ("Excess Rental Proceeds") paid to the tenant by the lessee over the Affordable Rent shall be due and payable to the Borrower immediately upon receipt thereof by the Borrower or tenant. Such Excess Rental Proceeds shall not be considered Operating Income and shall be utilized as partial payment on the City's Note.

13. Assisted Unit Substitutions.

a. For purposes of this section, "comparable" units shall refer to the income level as set forth in Table 1 of Exhibit B and not the Unit Type. Unit Types "A" are larger than Unit Types "B".

b. If, upon re-certification, the income of a household occupying an Assisted Unit reserved for occupancy by Moderate Income Households exceeds the upper limit for Moderate income, the Borrower may designate this household's unit as non-assisted, provided that all of the following conditions are satisfied:

1) No later than the date the Borrower designates the unit as non-assisted, the Borrower also makes available a comparable vacant unit previously designated as non-assisted to be designated as an Assisted Unit, or designates a previously non-assisted unit occupied by a Moderate-Income Household as an Assisted Unit, or agrees to occupy the next available unit with a Moderate-Income Household; and

2) The rent charged for the newly designated Assisted Unit will not exceed the high HOME Rent.

c. Where a household occupying an Assisted Unit reserved for occupancy by Very Low-Income or Low Income Households no longer qualifies as Very Low-Income or Low Income Household at the time of re-certification, but qualifies as a Low-Income or Moderate Income Household, the following shall apply:

1) Borrower shall designate the unit as an assisted unit for Low-Income or Moderate-Income Households:

2) Borrower may increase the household's Rent to the Low Income Rent or Moderate Income Rent;

3) Borrower shall designate the next available comparable Assisted Unit reserved for Moderate or Low-Income Households as an Assisted Unit reserved for Low or Very Low-Income Households as necessary to maintain the unit mix as outlined in Section 10; and

4) The Rent charged for the newly designated Assisted Unit reserved for Very Low-Income Households shall not exceed the Low HOME Rent.

14. Maintenance and Management.

a. Borrower is specifically responsible for all maintenance, repair, and management functions for the Development, including without limitation, selection of tenants, re-certification of household income and size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower shall maintain all 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 Section 882.109, and the Management Plan described in Section 7 of this Agreement.

b. Borrower, ROP, shall be the property management agent for this project. ROP shall not transfer said management obligation to or contract with any other person or entity for the performance of the services or duties required in paragraph (a) without the prior written approval and consent of the City. Any such contract for management services will not relieve the Borrower of responsibility for proper performance of these duties. Any such agent to be used for the management functions of the Development as identified in Section 14(a) shall have a minimum of five (5) years' experience managing affordable housing apartments utilizing HOME Regulations and tax credit regulations in Humboldt County, or equivalent experience as deemed appropriate by the City and shall have a principal place of business in Humboldt County. If no such local entity exists or is available to act as management agent for Borrower, Borrower may seek approval from the City to use an alternate management agent from outside the county. Such contract shall contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty days' (30) notice. Upon a determination by the City, and notice to the Borrower thereof, that the management agent has failed to operate the Development in accordance with this Agreement, the Borrower shall exercise such right of termination forthwith and shall make immediate arrangements, which shall be subject to City approval, for continuing performance of the requirements of this Agreement.

c. Upon a determination by the City, and notice to the Borrower thereof, that the Borrower as management agent has failed to operate the Development in accordance with this Agreement, the Borrower shall be given thirty (30) days to address and correct the concerns of the City with respect to Borrower's property management function. If said concerns have not been addressed or corrected within said thirty (30) days, the City may require the Borrower to contract with a management agent to operate the Development, or to make such other arrangements as the City deems necessary to ensure performance of the requirements of this Agreement.

15. Hazard and Liability Insurance.

a. The Borrower shall at all times keep the Development insured against loss by fire, flood (as required pursuant to 24 CFR 92.358), and such other hazards, causalities, liabilities and contingencies, and in such amounts and for such periods as set forth in Exhibit D. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the City. Property insurance policies shall name the City as an additional loss payee and liability insurance policies shall name the City as additionally insured, on forms as approved by the City.

b. Insurance proceeds and condemnation awards for any loss to or taking of the Development, or any portion thereof, shall be applied or utilized by Borrower as provided in the Deed of Trust executed by Borrower and referred to in the Recitals hereof.

16. Annual Report. No later than April 1 following the end of the Fiscal Year, Borrower shall file with the City an annual report ("Annual Report"), as required by 24 CFR part 92, 25 Cal. Code of Regulations, Section 8218(a)(2) and monitoring and reporting chapters of the current HOME Program

Grant Management Manual. The City shall have 60 days from receipt of the Annual Report to approve such Annual Report, or to request modifications or additional information as required by this Agreement. The Annual Report shall contain a certification by the Borrower as to such information as the City may then require including, but not limited to the following:

a. The fiscal condition of the Development, including a financial statement for the previous Fiscal Year that includes a balance sheet and a profit and loss statement indicating any surplus or deficit in the Operating Account, Replacement Reserve Account and Operating Reserve Account; a detailed itemized listing of income and expenses; the amounts of any fiscal reserves and the total amount of Residual Receipts and payments and distributions therefrom. Such financial statement shall be prepared in accordance with the requirements of the City. At Borrower's expense, Borrower shall have an audit of said financial statement conducted each year by an independent certified public accountant acceptable to the City or other person designed by the City. Borrower shall provide a copy of all audit documents, and correspondence per tax credit process to the City no later than April 1 of the following Fiscal Year.

b. The substantial physical defects in the Project, including a description of any major repair or maintenance work undertaken or needed in the previous and current Fiscal Years. Such statement shall describe what steps the Borrower has taken in order to maintain the Development in a safe and sanitary condition in accordance with applicable housing and building codes.

c. The occupancy of the Development indicating:

   1) The verified income of each current household; and

   2) The current rents charged each household and whether these rents include utilities.

d. General management performance, including tenant relations and other relevant information.

e. A summary of the information received from the re-certification of tenants' incomes.

f. Evidence of a currently paid hazard and flood insurance policy, with loss payable to the City in the amounts specified in Exhibit D.

g. Evidence of a currently paid liability insurance policy, naming the City as an additional loss payee in the amounts specified in D.

h. The Sandpiper Mobile Home Park Construction and Operational Calculations, as updated for each fiscal year, the Initial Year of which is attached as Exhibit B. The Sandpiper Mobile Home Park Construction and Operational Calculations shall be submitted in the same format as in said Exhibit B, unless changes to the format are approved in advance by the City.

i. A police log and an eviction log (i.e. to compare the number of police calls to a particular unit prior to eviction, if any). This information shall be used to evaluate the effectiveness of the Security Plan and revisions to the Security Plan shall be made as needed.

j. Other information reasonably required by the City.

17. City Review and Inspections.

a. Upon not less than 48 hours' notice to the Borrower, the City or its designee may, at any time during the term of the Loan, enter and inspect the physical premises and inspect all accounting records pertaining to the construction or operation of the Development. Upon request by the City, the Borrower shall notify occupants of upcoming inspections of their units in accordance with State Law. Borrower and City acknowledge that the financial records are maintained by Borrower at its corporate offices in Sacramento. City agrees to notify Borrower in advance if City wishes Borrower to provide financial records to the City for review in Arcata, and Borrower shall make said records available for review in Arcata within fourteen (14) days of the City's request.

b. The City may perform or cause to be performed audits of any and all phases of the Borrower's activities related to the Development. At the City's request, the Borrower shall provide, at Borrower's own expense, an audit of the financial condition of the project certified by an independent certified public accountant. City and Borrower acknowledge that audits are expensive to produce, and $5,000 in audit costs has been placed into Exhibit B, Operating Expenses..

c. The City may request any other information that it deems necessary to monitor compliance with requirements set forth in this Agreement and the Standard Agreement. The Borrower shall promptly provide such information.

18. Annual Operating Budget.

a. The fiscal year for the Development shall commence on January 1 and conclude on December 31 ("Fiscal Year").

b. No later than November 1 prior to the beginning of a Fiscal Year, the Borrower shall submit to the City a proposed annual operating budget on a form provided by the City ("Annual Operating Budget"). The proposed Annual Operating Budget shall maintain the same format and budgetary line items as established in the Initial Year Operating Budget, unless specific changes are approved in advance by the City. The total operating expenses in the Annual Operating Budget shall not exceed $300.00 per unit per month or other amount as specified in the current HOME Program underwriting guidelines, unless approved in advance by the City after review of sufficient justification thereof. Annual Operating Budgets and rent adjustments are subject to written approval by the City. The Annual Operating Budget shall include a line item allocating sufficient funds to the full implementation of the Management Plan.

c. Increases of up to the greater of three and one half percent (3.5%) or the CPI adjustment, using the index described in Section 18(c), in any line item of the Annual Operating Budget shall be deemed approved by the City, provided that the total operating expenses in the Annual Operating Budget do not exceed the maximum amount per unit allowed in Section 18(a). Borrower shall operate the Development in accordance with the approved Annual Operating Budget.

d. Annual rent adjustments are subject to written approval by the City. For the projects approved by the City using High HOME rents, rent increases that do not exceed the upper limits for High HOME rents less a Utility Allowance shall be deemed approved by the City. For projects approved by the City using Low HOME rents less a utility allowance, rent increases that do not exceed the upper limits for low HOME rents shall be deemed approved by the City. For projects approved by the City using rents below Low HOME rents, rent increases, which do not exceed

the most, recently published annual Labor Statistics Consumer Price Index, Residential Rent for All Urban Consumers for the West annual (CPI) shall be deemed approved by the City. In the event this particular CPI index is no longer published, the City shall select a similar index for this purpose.

e. The Annual Operating Budget for the initial year of the Development's operation ("Initial Year Annual Operating Budget") shall show all anticipated income, debt service and expenses for management, operations, reserves and maintenance for the first fiscal year or portion thereof following initial occupancy. Said Initial Year Annual Operating Budget is hereby approved by the City to be that as depicted in Table 2 of Exhibit B. Borrower shall operate the Development in accordance with the Initial Year Annual Operating Budget depicted in Table 2 of said Exhibit C.

19. Required Reserves.

a. Replacement Reserve Account:

1) Prior to the Close of Escrow, the Borrower shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally insured financial institution ("Replacement Reserve Account") and fully fund an amount equal to eighteen months deposits to the Replacement Reserve. Beginning on the nineteenth (19) month, Borrower shall make monthly deposits from Operating Income to the Replacement Reserve Account in a minimum amount of $19 per unit ($400 total monthly) which represents the minimum amount determined by the City necessary to establish an adequate reserve account for future capital improvements, as specified. This amount is equal to 0.6 percent of the estimated per unit cost of Development structure construction, or: 0.006 multiplied by $800,000 divided by 21 units divided by 12 months. The City may review the adequacy of these monthly deposits on an annual basis, and require adjustments, as it deems necessary.

2) Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Development that are reasonably required to preserve the Development. Borrower may withdraw, for a qualifying maintenance improvement, from the Replacement Reserve Account up to Five Thousand Dollars ($5,000.00) per Fiscal Year or any amount included in the Annual Operation Budget for the Fiscal Year of the withdrawal without advance written approval from the City. All other withdrawals from the Replacement Reserve Account must be approved in advance by the City.

3) If at any time the Replacement Reserve Account balance exceeds Eighty Thousand Dollars ($80,000.00), Borrower shall have an independent physical inspection of the Development, conducted by a City approved inspector and paid for from said account. Said inspection shall evaluate the condition of the Development and determine what capital improvements are required. A copy of the inspection report shall be delivered to the City. Based on the inspection report, Borrower shall develop and deliver a capital improvement work plan to the City within 30 days after the date of the inspection report. Failure of Borrower to make and complete approved capital improvements within one year after approval by the City of said work plan, will be deemed a default under this Agreement.

b. Operating Reserve Account:

1) Commencing no later than the end of the second month following the initial occupancy of the Development, or such other date as the City shall designate in writing, the Borrower shall establish an operating reserve account or sub account within the project's general operating account ("Operating Reserve Account"). The Borrower shall fully fund this account in the amount of thirty-two thousand thirty dollars ($32,030.00) at close of escrow. Whenever the account balance falls below said amount, Borrower shall make monthly deposits from project income to the Operating Reserve Account in the amount of a minimum of three percent (3 %) of the annual operating expenses minus the annual replacement and operating reserve account deposits, which represents the minimum amount determined by the City as necessary for specified shortfalls.

2) Borrower shall transfer funds from the Operating Reserve Account only to alleviate cash shortages resulting from utility costs, vacancies greater than five percent (5%) of the total Development rental capacity, and seasonal fluctuations in or from month to month. The City shall approve or disapprove a request for withdrawal from the Operating Reserve Account within 60 days of receipt of a written request. A written withdrawal request that is not disapproved with in 60 days of receipt shall be deemed approved. If the Operating Reserve Account reaches a balance equal to or greater than an amount equivalent to twelve months gross income for the Development, the City may approve a reduction in payments to the Operating Reserve Account to an amount necessary to maintain the account balance at this level.

20. Use of Income from Operations.

a. The Borrower, or Borrower's management agent, shall promptly deposit all Operating Income in a segregated account established exclusively for the Development with an F.D.I.C. or other comparable federally-insured financial institution.

b. Withdrawals from said account shall be made only in accordance with the provisions of this Agreement and the approved budget, and shall be disbursed, applied, or reserved and set aside for payment when due for all costs related to the Development including, but to limited to, the following:

1) Salaries, wages, and any other compensation due and payable to the employees or agents of the Borrower or management agent employed on site in connection with the maintenance, administration or operation of the Development, along with all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required in connection with such employees;

2) All charges incurred in the operation of the Development in connection with utilities, real estate taxes and assessments, and liability, fire and other hazard insurance;

3) Payments of required interest, principal, impounds, fees and charges, if any, on loans other than the loans which are secured by liens on the Property and which have been approved by the City;

4) All other expenses incurred to cover operating costs, including the allowed fee for the management agent, in accordance with the approved Annual Operating Budget of the Development or as otherwise approved in advance by the City in accordance with Section 18 of this Agreement; and

5) Deposits to Operating and Replacement Reserve Accounts.

6) Payment of non-City debt service as follows:

i. First, payment of permanent financing obligations as approved by the City prior to closing of the permanent financing

7) Payment of an asset management fee as approved in the Annual Operating Budget, not to exceed $12,000.

8) Payment of Deferred Developer Fee.

c. The balance of Operating Income remaining after the payments described in Section 20(b). above shall be deemed "Residual Receipts" to be paid and applied as provided in Section 21 below.

21. Residual Receipts and Distributions.

a. Payment of Agency and City Debt Service: Prior to any distributions from the Residual Receipts, fifty percent (50%) of the Residual Receipts shall be applied to payments on the Agency and City Loan as required by, and subject to the provisions of, the Note. Borrower shall make payments as required by the Note and Loan Agreement no later than April 15 of each year, beginning in 2008. Residual Receipt payments shall be applied first to pay outstanding interest and then principal, of the Agency portion of the Loan, and after said Agency debt is fully paid, then to pay outstanding interest and then principal of the City portion of the Loan.

b. Distribution of Remainder: After making payment on the City's Loan, the remaining 50 percent (50%) of the Residual Receipts shall be available to be distributed to, or retained by, the Borrower to pay asset management fees or other compensation to Borrower.

c. Borrower shall receive Distributions only once for each fiscal year of the Development and only: (1) upon approval by the City of the Annual Report submitted for that year, and (2) upon determination by the City that the Borrower is in compliance with this Agreement and all Program requirements.

d. No Distributions shall be made to Borrower in the following circumstances:

1) When written notice of default has been issued by any entity with an equitable or beneficial interest in the Development;

2) When the City determines that the Borrower or the Borrower's management agent has failed to comply with the City's written notice of any reasonable requirement for proper maintenance of the Development;

3) If all currently required debt service and operating expenses have not been paid; or

4) If the Replacement Reserve or Operating Reserve Accounts are not fully funded pursuant to this Agreement.

22. Accounting Records. In a manner subject to City approval, Borrower shall maintain on an accrual basis a general ledger accounting system that is posted monthly and that accurately and fully shows all assets, liabilities, income and expenses of the Development. All records and books relating to this system, except the general ledger, shall be kept for a period of at least seven years and in such a manner as to ensure that the records are reasonably protected from destruction or tampering. The general ledger shall be kept permanently in such a manner as to ensure that it is reasonably protected from destruction or tampering. All records shall be subject to City inspection and audit in Arcata, upon fourteen (14) days' advance written request for said inspection and audit.

23. Non-assisted Units and Common Areas.

a. Borrower shall establish and implement a rent structure for non-assisted residential units that ensures the Fiscal Integrity of the Development. Borrower shall estimate all income and expenses attributable to the non-assisted units in the Annual Operating Budget described in Section 18 herein, and shall report all income and expenses attributable to non-assisted units in the Annual Report described in Section 16 herein.

b. Borrower shall maintain and repair both Assisted and non-assisted units equally without regard to their designation as Assisted or non-assisted.

c. Tenant selection practices for non-assisted units shall comply with State and federal nondiscrimination laws.

d. The exterior walls, windows, lighting, walkways, mailboxes, landscaping, nonresidential space, and other common areas of the Development shall be safe, clean, well maintained, and in good working order.

e. Covenants, conditions and restrictions (CC&R's) to be recorded by Borrower against non-assisted units and common areas shall be approved in advance of recordation by the City.

24. Restrictions on Sale, Encumbrance, and Other Acts.

a. The Borrower shall not make any sale, encumbrance, hypothecations, assignment, refinancing, pledge, conveyance, or transfer in any other form of the Property or the Development or of any of its interest therein, except with the prior written approval of the City.

b. Other than routine maintenance, the Borrower shall not add to, remodel, remove, reconstruct, or demolish any part of the Development without the prior written approval of the City.

c. The Borrower shall not permit the use of the Development or Property for any purpose other than that permitted by this Agreement without the prior written approval of the City.

d. The Borrower shall not incur any liability or obligation in connection with the Development, other than for current operating, management and maintenance costs and for the indebtedness evidenced by the Note nor incur any liability, charge, assessment, or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrance on the Property or the

Development, without the prior written approval of the City. The City may permit refinancing or additional financing secured by the Development only to the extent necessary to maintain or improve the Development's Fiscal Integrity, improve financial condition, or to maintain affordable rents.

e. The Borrower shall not enter into any contract relating to rehabilitating or managing the Development, except as authorized by the City. Any management agreement entered into between Borrower and a management entity is subject to prior written approval by the City, and subject to the qualifications set out in Section 7.

f. Borrower shall not enter into any Lease for more than a single rental unit, ground lease of the Development or any interest therein without prior written approval of the City. The City may require that such lease allow for termination within 30 days upon request by the City.

g. The City may approve at the City's sole discretion, a sale, transfer or conveyance of the Property provided that all of the following conditions are met:

1) The existing Borrower is in compliance with this Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of the Agreement;

2) The successor-in-interest to the Borrower agrees to assume all obligations of the existing Borrower pursuant to this Agreement and the Program, and meets any requirements, which may be in existence for California Housing Development Organizations (CHDO's) under the applicable regulations. The parties acknowledge and understand that at the time the private senior debt is paid by Borrower, which debt has a thirty year term, Borrower intends to transfer ownership of the Property to a nonprofit corporation formed by the tenants of the Property.

3) The successor-in-interest demonstrates to the City's satisfaction that it can own and operate the Development in full compliance with all Program requirements; and

4) Terms of the sale, transfer or conveyance shall not threaten the City's security or the successor's ability to comply with all requirements of the HOME Program and this Agreement.

h. The City shall grant its approval for a sale, transfer or conveyance of the Property subject to such terms and conditions as may be necessary to preserve or establish the Fiscal Integrity of the Development and to ensure compliance with HOME Program requirements and this Agreement. Such conditions may include the deposit of sales proceeds, or a portion thereof, to maintain required reserves or to offset negative cash flow, the recapture of syndication proceeds or other funds or such other conditions as may be necessary to ensure compliance with the HOME Program requirements.

25. *THIS SECTION INTENTIONALLY LEFT BLANK*

26. Violation of Regulatory Agreement by Borrower.

a. In the event of a breach or violation of the provisions of this Agreement, the City may give written notice to the Borrower thereof by certified mail or any express delivery service with a delivery receipt addressed to the Borrower at the address stated in this Agreement. If the breach

or violation is not cured to the satisfaction of the City within the time period specified in the notice, which shall not be fewer than 30 days, the City may declare a default and may seek legal remedies including the following:

1) Collect all rents and income in connections with the operation of the Development and use the same and the reserve funds for the operation and maintenance of the Development.

2) Take possession of the Development and bring any action necessary to enforce any rights of the Borrower growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement until such time as the City, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement.

3) Apply to any court, State or federal, for specific performance of this Agreement or for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement or for such other relief as may be appropriate. It is agreed by the Borrower 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 that would provide adequate relief to the City, in light of the purposes of the Program, would be impossible to ascertain.

4) Subject to written authorization from lenders with a priority security interest in the Property and the Development, accelerate all amounts, including outstanding principal and interest, due under the 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. However, in the event of a nonmonetary breach which cannot reasonably be cured within the time period set forth in such notice, the Loan may not be accelerated hereunder if within said designated time period Borrower or Borrower's administrative limited partner has given written notice to City of Borrower's intention to cure said breach, has commenced to cure such breach and has diligently prosecuted and effected such cure which shall be completed no later than 60 days from the date notice of such breach is given.

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

b. 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 charge to the affected household.

c. The tenants of the Assisted Units shall be considered to be third-party beneficiaries of this Agreement, and shall have such rights and remedies to enforce the requirements of this Agreement as may be available to third-party beneficiaries under the law.

d. 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.

e. Notwithstanding anything to the contrary herein, any cure of any default or Event of Default made or tendered by the administrative limited partner of Borrower shall be deemed to made by

Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

27. Assignment of City Rights. The City retains the right at its sole discretion to assign all or part of its rights under this Agreement for the purpose of ensuring compliance and enforcement of Borrower's duties and obligations hereunder. In addition, the City may designate an agent to act on its behalf in monitoring compliance and enforcing the provisions hereof.

28. Amendment. This Agreement shall not be altered or amended except in writing, executed between or among all the parties.

29. Partial Invalidity. 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.

30. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in the office of interest, and assigns, provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior written approval of the City.

31. Recording Agreement. This Agreement, and all amendments thereto, shall be executed by each of the parties. This Agreement, or memorandum thereof, shall be recorded against the subject Property in the official records of the county in which the Development is situated.

32. Hold Harmless. Borrower and its successor in interest agree to indemnify, defend, and hold harmless the City and its respective agents, employees and officers from any and all claims, losses, liabilities or causes of action (including reasonable attorney's fees) arising from or in connection with Borrower's management, maintenance or operation of the Development.

33. 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 thereto or default hereunder.

34. 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 the intent of this Agreement.

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

36. Notice. Written notices and other written communications by and between the parties hereto shall be addressed as set forth below unless and until a party hereto has, in writing, communicated a different address to the other party hereto.

Borrower:	Resident Owned Parks 7420 Greenhaven Drive, Suite 125 Sacramento, CA 95831 Attn.: Maurice Priest	
City:	City of Arcata C/o City Manager	With copy to: Director,

736 F Street Arcata, CA 95521 Attn.: City Manager	Community Development Department 736 F. Street Arcata, CA 95521

37. Attorneys' Fees. The prevailing party in any action to enforce this Agreement, including the residents of Assisted Units, shall be entitled to reasonable attorneys' fees as determined by the tier of fact in that forum.

38. Special Conditions. The parties acknowledge that there are no special conditions imposed.

39. Contract Administration. The City shall maintain authority over the Loan Documents through the City Manager or his designee. The City Manager shall have authority to issue interpretations, approvals, waivers, and amendments, relating to this Agreement that do not change the material terms of the Agreement. All other waivers or amendments shall require the written consent of the City Council. Approval by the City as required in this Agreement shall be approval by the City Manager, unless specifically stated otherwise.

40. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:
Exhibit A: Legal Description
Exhibit B: Sandpiper Operational Calculations
Exhibit C: Sandpiper Initial Rent Levels and Operational Calculations
Exhibit D: Insurance Requirements
Exhibit E: Occupancy Certification

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

BORROWER:

Resident Owned Parks, Inc.
A California NonProfit Public Benefit Corporation

By: _____
Maurice A. Priest, President

CITY:

City of Arcata

By: _____
Michael Hackett, City Manager

ACKNOWLEDGMENTS ATTACHED

EXHIBIT A

LEGAL DESCRIPTION

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

Exhibit B
Sandpiper Operational Calculations

					Household Income			Mod	Low	VL	A	2 person unit
					Percent of Median Income			80%	60%	50%	B	1 person unit
Table 1					Number of Restricted Units			10	7	4	C	Apartment
Unit #	Unit Type	Household Income	Utility Allowance	Total housing Cost	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 1	Year 2	Year 3	Year 4	Year 5
1	A	MOD 2 BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
2	A	LOW 2 BR	146	456	310	1	2.5%	3,720	3,813	3,908	4,006	4,106
3	A	LOW 2 BR	146	456	310	1	2.5%	3,720	3,813	3,908	4,006	4,106
4	A	MOD 2BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
5	A	LOW 2 BR	146	456	310	1	2.5%	3,720	3,813	3,908	4,006	4,106
6	A	MOD 2 BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
7	A	MOD 2BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
8	A	LOW 2 BR	146	456	310	1	2.5%	3,720	3,813	3,908	4,006	4,106
9	A	LOW 2 BR	146	456	310	1	2.5%	3,720	3,813	3,908	4,006	4,106
10	B	VL 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
11	B	MOD 1 BR	122	462	340	1	2.5%	4,080	4,182	4,287	4,394	4,504
12	B	VL 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
13	B	VL 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
14	B	MOD 1BR	122	462	340	1	2.5%	4,080	4,182	4,287	4,394	4,504
15	B	MOD 1 BR	122	462	340	1	2.5%	4,080	4,182	4,287	4,394	4,504
16	B	LOW 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
17	B	MOD 1 BR	122	462	340	1	2.5%	4,080	4,182	4,287	4,394	4,504
18	B	LOW 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
19	B	MOD 1 BR	122	462	340	1	2.5%	4,080	4,182	4,287	4,394	4,504
20	B	VL 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
21	C	MOD 2 BR	146	671	525	1	2.5%	6,300	6,458	6,619	6,784	6,954
		TOTAL RENTAL INCOME			6,969	21	1	83,628	85,719	87,862	90,058	92,310

Exhibit B
Sandpiper Operational Calculations

Table 2	OTHER INCOME		Units	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
	Laundry Income	1,100	1	2.5%	1,100	1,128	1,156	1,185	1,214
	Replacement Reserve Deposit	4,800			4,800	2,400	-	-	-
	Operating Reserve Deposit	0			32,030	0	0	0	0
	Utility Submetering annual income	10,160	1	2.5%	10,160	10,414	10,674	10,941	11,215
	TOTAL OTHER INCOME	16,060			48,090	13,942	11,830	12,126	12,429
	TOTAL INCOME				131,718	99,660	99,692	102,184	104,739
	Less Vacancy Allowance	348		5%	-4,181	-4,286	-4,393	-4,503	-4,615
	GROSS INCOME	**23,377**			**127,537**	**95,374**	**95,299**	**97,681**	**100,124**
	OPERATING EXPENSES	Annual	%EGI	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
	Accounting	1,080	0.8%	3.5%	1,080	1,118	1,157	1,197	1,239
	Audit	5,000	3.9%	3.5%	5,000	5,175	5,356	5,544	5,738
	Auto	0	0.0%	3.5%	0	-	-	-	-
	General Administrative	0	0.0%	3.5%	0	-	-	-	-
	Management Fee	5,854	4.6%	3.5%	5,854	6,059	6,271	6,490	6,718
	Utilities (electricity & gas)	5,335	4.2%	3.5%	5,335	5,522	5,715	5,915	6,122
	Payroll / Payroll Taxes	0	0.0%	3.5%	0	-	-	-	-
	Insurance	2,800	0.0%	3.5%	0	2,884	2,985	3,089	3,198
	Landscaping	600	0.5%	3.5%	600	621	643	665	689
	Maintenance	4,000	3.1%	3.5%	4,000	4,140	4,285	4,435	4,590
	Telephone	600	0.5%	3.5%	600	621	643	665	689
	Trash	3,075	2.4%	3.5%	3,075	3,183	3,294	3,409	3,529
	Water/Sewer	1,750	1.4%	3.5%	1,750	1,811	1,875	1,940	2,008
	Park Billing	960	0.8%	3.5%	960	994	1,028	1,064	1,102
	Permits, Fees & Licenses	400	0.3%	3.5%	400	414	428	443	459
	Supplies	2,345	1.8%	3.5%	2,345	2,427	2,512	2,600	2,691
	Dues & Subscriptions	0	0.0%	3.5%	0	-	-	-	-
	Other: Advertising	0	0.0%	3.5%	0	-	-	-	-
	On-Site Service Coordinator	0	0.0%	3.5%	0	-	-	-	-
	Property Taxes and Assessments	6,750	5.3%	2.0%	6,750	6,885	7,023	7,163	7,306
	Commercial Expenses	0	0.0%	3.5%	0	-	-	-	-
	OPERATING EXPENSES (Excluding	**40,549**			**37,749**	**41,853**	**43,215**	**44,622**	**46,076**
	Replacement Reserves	4,800		0.6%	4,800	4,800	4,800	4,800	4,800
	Operating Reserve Deposit	1,339		0.0%	32,030	$ -	$ -	$ -	$ -
	TOTAL OPERATING EXPENSES	**46,688**			**74,579**	**46,653**	**48,015**	**49,422**	**50,876**
	CASH FLOW AVAILABLE FOR DEBT SERVICE				**52,958**	**48,721**	**47,284**	**48,259**	**49,248**
	DEBT SERVICE & OTHER DISTRIBU	Loan Amount		Yr. 1 DSC	Year-1	Year-2	Year-3	Year-4	Year-5
	Sellers (Warren & Susan Morton) [HA	650,000		1.15	45,966	45,966	45,966	45,966	45,966
	HOME FUNDS (City of Arcata)	279,000		1.15					
	Redevelopment Agency	39,400							
	DEBT COVERAGE RATIO				1.15	1.06	1.03	1.05	1.07
	ANNUAL NET CASH FLOW				**6,992**	**$ 2,755**	**$ 1,318**	**$ 2,293**	**$ 3,282**
	CUMULATIVE CASH FLOW				**6,992**	**$ 9,747**	**$ 11,065**	**$ 13,358**	**$ 16,640**
	Developer share of Cash Flow				**3,496**	**$ 1,378**	**$ 659**	**$ 1,147**	**$ 1,641**
	HOME FUNDS (City of Arcata)	**279,000**			**3,496**	**$ 1,378**	**$ 659**	**$ 1,147**	**$ 1,641**
	Interest Rate:	**3%**							
	HOME Loan Interest Balance				4,874	$11,867	$19,578	$26,801	$33,530
	HOME Loan Principal Balance				279,000	$279,000	$279,000	$279,000	$279,000
	HOME Loan Total Balance				283,874	$290,867	$298,578	$305,801	$312,530

Exhibit C Sandpiper Initial Rent Levels and Operational Calculations

Unit #	Unit Type	Household Income	Utility Allowance	Total Housing Cost	Initial Occupancy Net Rent / Unit - Year 1		Household Income	Exhibit B Net Rent / Unit - Year 1
1	A	MOD 2 BR	146	556	410		MOD 2 BR	410
2	A	LOW 2 BR	146	405	259		LOW 2 BR	310
3	A	MOD 2 BR	146	405	259		LOW 2 BR	310
4	A	MOD 2 BR	146	556	410		MOD 2BR	410
5	A	VL 1 BR	146	405	259		LOW 2 BR	310
6	A	MOD 2 BR	146	556	410		MOD 2 BR	410
7	A	MOD 2 BR	146	556	410		MOD 2BR	410
8	A	VL 1 BR	146	405	259		LOW 2 BR	310
9	A	VL 1 BR	146	405	259		LOW 2 BR	310
10	B	VL 1 BR	122	381	259		VL 1 BR	259
11	B	MOD 2BR	122	532	410		MOD 1 BR	340
12	B	VL 1 BR	122	381	259		VL 1 BR	259
13	B	MOD 2BR	122	532	410		VL 1 BR	259
14	B	LOW 1 BR	122	381	259		MOD 1BR	340
15	B	MOD 2BR	122	532	410		MOD 1 BR	340
16	B	MOD 2BR	122	532	410		LOW 1 BR	259
17	B	LOW 1 BR	122	381	259		MOD 1 BR	340
18	B	MOD 2BR	122	532	410		LOW 1 BR	259
19	B	MOD 2BR	122	532	410		MOD 1 BR	340
20	B	VL 1 BR	122	381	259		VL 1 BR	259
21	C	MOD 2 BR	146	671	525		MOD 2 BR	525

Section 10(b) of the Regulatory Agreement specifies that: Twenty percent (20 %) of all Assisted Units (4 units total) shall be occupied by Very Low-Income Households, thirty percent (30%) of all Assisted Units (7 units total) shall be occupied by Low-Income Households, and fifty percent (50%) of all Assisted Units (10 units total) shall be occupied by Moderate Income Households.

Initial Occupancy Rents and Income	# of units	Exhibit B Rents and Income	# of Units
Very-Low Income	6		4
Low Income	3		7
Moderate Income	12		10

As a result of initial non-conformity, Borrower agrees to rent Assisted Units only in accordance with the schedule set forth in Exhibit C upon initial occupancy following the close of escrow in order to bring the rental schedule into conformity as expeditiously as possible. Under the methodology of Exhibit C, Borrower shall rent the next available unit at the appropriate rent level at annual Certification of Tenant Income and Household Size as outlined in Section 12, or at vacancy and initial occupancy. Under this schedule, Very-Low Income Households simultaneously satisfy Low-Income Household rent requirements; thus, the next two (2) Moderate Income Household Units that become available shall be rented to qualified Low-Income Households. After these two Units are rented to Low-Income Households and the City determines that the project conforms to Section 10(b) of the Regulatory Agreement, Exhibit C shall no longer be in effect and the project rents and incomes shall be as specified in Exhibit B.

Exhibit C
Continued
Sandpiper Initial Rent Levels and Operational Calculations

					Household Income			MOD	LOW	VL	A	2 person unit
					Percent of Median Income			80%	60%	50%	B	1 person unit
Table 1					**Number of Restricted Units**			12	3	6	C	Apartment
Unit #	Unit Type	Household Income	Utility Allowance	Total housing Cost	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 1	Year 2	Year 3	Year 4	Year 5
1	A	MOD 2 BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
2	A	LOW 2 BR	146	405	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
3	A	MOD 2 BR	146	405	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
4	A	MOD 2 BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
5	A	VL 1 BR	146	405	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
6	A	MOD 2 BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
7	A	MOD 2 BR	146	556	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
8	A	VL 1 BR	146	405	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
9	A	VL 1 BR	146	405	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
10	B	VL 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
11	B	MOD 2BR	122	532	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
12	B	VL 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
13	B	MOD 2BR	122	532	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
14	B	LOW 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
15	B	MOD 2BR	122	532	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
16	B	MOD 2BR	122	532	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
17	B	LOW 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
18	B	MOD 2BR	122	532	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
19	B	MOD 2BR	122	532	410	1	2.5%	4,920	5,043	5,169	5,298	5,431
20	B	VL 1 BR	122	381	259	1	2.5%	3,108	3,186	3,265	3,347	3,431
21	C	MOD 2 BR	146	671	525	1	2.5%	6,300	6,458	6,619	6,784	6,954
		TOTAL RENTAL INCOME			**7,215**	**21**	**1**	**86,580**	**88,745**	**90,963**	**93,237**	**95,568**

Exhibit C
Continued
Sandpiper Initial Rent Levels and Operational Calculations

Table 2	OTHER INCOME		Units	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
	Laundry Income	1,100	1	2.5%	1,100	1,128	1,156	1,185	1,214
	Replacement Reserve Deposit	4,800			4,800	2,400	-	-	-
	Operating Reserve Deposit	0			32,030	0	0	0	0
	Utility Submetering annual income	10,160	1	2.5%	10,160	10,414	10,674	10,941	11,215
	TOTAL OTHER INCOME	16,060			48,090	13,942	11,830	12,126	12,429
	TOTAL INCOME				134,670	102,686	102,793	105,363	107,997
	Less Vacancy Allowance	361		5%	-6,734	(5,134)	(5,140)	(5,268)	(5,400)
	GROSS INCOME	**23,636**			**127,936**	**97,552**	**97,653**	**100,095**	**102,597**
	OPERATING EXPENSES	Annual	%EGI	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
	Accounting	1,080	0.8%	3.5%	1,080	1,118	1,157	1,197	1,239
	Audit	5,000	3.9%	3.5%	5,000	5,175	5,356	5,544	5,738
	Auto	0	0.0%	3.5%	0	-	-	-	-
	General Administrative	0	0.0%	3.5%	0	-	-	-	-
	Management Fee	5,854	4.6%	3.5%	5,854	6,059	6,271	6,490	6,718
	Utilities (electricity & gas)	5,335	4.2%	3.5%	5,335	5,522	5,715	5,915	6,122
	Payroll / Payroll Taxes	0	0.0%	3.5%	0	-	-	-	-
	Insurance	2,800	0.0%	3.5%	0	2,884	2,985	3,089	3,198
	Landscaping	600	0.5%	3.5%	600	621	643	665	689
	Maintenance	4,000	3.1%	3.5%	4,000	4,140	4,285	4,435	4,590
	Telephone	600	0.5%	3.5%	600	621	643	665	689
	Trash	3,075	2.4%	3.5%	3,075	3,183	3,294	3,409	3,529
	Water/Sewer	1,750	1.4%	3.5%	1,750	1,811	1,875	1,940	2,008
	Park Billing	960	0.8%	3.5%	960	994	1,028	1,064	1,102
	Permits, Fees & Licenses	400	0.3%	3.5%	400	414	428	443	459
	Supplies	2,345	1.8%	3.5%	2,345	2,427	2,512	2,600	2,691
	Dues & Subscriptions	0	0.0%	3.5%	0	-	-	-	-
	Other: Advertising	0	0.0%	3.5%	0	-	-	-	-
	On-Site Service Coordinator	0	0.0%	3.5%	0	-	-	-	-
	Property Taxes and Assessments	6,750	5.3%	2.0%	6,750	6,885	7,023	7,163	7,306
	Commercial Expenses	0	0.0%	3.5%	0	-	-	-	-
	OPERATING EXPENSES (Excluding	**40,549**			**37,749**	**41,853**	**43,215**	**44,622**	**46,076**
	Replacement Reserves	4,800		0.6%	4,800	4,800	4,800	4,800	4,800
	Operating Reserve Deposit	1,339		0.0%	32,030	$ -	$ -	$ -	$ -
	TOTAL OPERATING EXPENSES	**46,688**			**74,579**	**46,653**	**48,015**	**49,422**	**50,876**
	CASH FLOW AVAILABLE FOR DEBT SERVICE				**53,357**	**50,899**	**49,639**	**50,673**	**51,721**
	DEBT SERVICE & OTHER DISTRIBU	Loan Amount		Yr. 1 DSC	Year-1	Year-2	Year-3	Year-4	Year-5
	Sellers (Warren & Susan Morton) [HA	650,000		1.16	45,966	45,966	45,966	45,966	45,966
	HOME FUNDS (City of Arcata)	279,000		1.16					
	Redevelopment Agency	39,400							
	DEBT COVERAGE RATIO				1.16	1.11	1.08	1.10	1.13
	ANNUAL NET CASH FLOW				**7,391**	**$ 4,933**	**$ 3,673**	**$ 4,707**	**$ 5,755**
	CUMULATIVE CASH FLOW				**7,391**	**$ 12,324**	**$ 15,997**	**$ 20,704**	**$ 26,459**
	Developer share of Cash Flow				**3,696**	**$ 2,467**	**$ 1,837**	**$ 2,354**	**$ 2,878**
	HOME FUNDS (City of Arcata)	**279,000**			**3,696**	**$ 2,467**	**$ 1,837**	**$ 2,354**	**$ 2,878**
	Interest Rate:	**3%**							
	HOME Loan Interest Balance				4,675	$10,578	$17,112	$23,128	$28,621
	HOME Loan Principal Balance				279,000	$279,000	$279,000	$279,000	$279,000
	HOME Loan Total Balance				283,675	$289,578	$296,112	$302,128	$307,621

EXHIBIT D

INSURANCE REQUIREMENTS

At the date of Close of Escrow for the Development, the City must receive a one-year prepaid Certificate of Insurance policy (or a binder followed by a certificate within 30 days of loan closing) evidencing the following coverage:

1. HAZARD (PROPERTY)

Perils:	All risk; or Fire & Lightning, Extended Coverage, Vandalism Malicious Mischief.
Covered Property:	Structure; and All risk contents coverage.
Amount:	Replacement value (or less if approved by City).
Coinsurance:	No less than 90 percent.
Deductible:	$2,500 maximum deductible per occurrence; or $1,000 maximum deductible per occurrence if the completed project value is less than $300,000.
Endorsement:	City's Loss Payable Endorsement required insuring the City.

OTHER PROPERTY INSURANCE

Flood Insurance:	Coverage required to 80 percent of replacement cost if the property is located in a 100-year flood plain.
Steam Boiler & Related Machinery:	(When applicable) 80 percent of replacement cost coverage is required.

2. COMPREHENSIVE GENERAL LIABILITY

Minimum Amount:	$1,000,000 per occurrence; or $2,000,000 per occurrence for buildings with elevators.

3. OTHER COVERAGE

Loss of Rents:	Coverage shall insure 75 percent of annual gross rents.
Workers Compensation:	Required by State law if employees are involved.

ALL POLICIES MUST INCLUDE THE FOLLOWING

Named Insured:	Borrower
Additional Insured:	The City of Arcata and its officers, agents, employees, and servants must be named as additional insured.
Cancellation Clause:	The City must be notified 30 days prior to cancellation of the insurance policy.
Notification:	The City must be notified prior to cancellation or lapse of coverage or in the event of any claim.

The City should be identified on all insurance documents as follows:

City of Arcata
736 F Street
Arcata, CA 95521

EXHIBIT E

OCCUPANCY CERTIFICATION

Form of Owner Occupancy Certification

To: Resident Owned Parks
From: _____ [*name of owner(s)*] ("Owner")
Address of Home: _____
Date: _____

By signature below, I/we_____ _____ [*name or names of Owner*] hereby certify to the Resident Owned Parks under penalty of perjury that I/we occupy the manufactured home located at _____ [*address*] (the "Home") as my/our principal place of residence and that I/we have occupied the Home for _____ (__) [*number*] months of the calendar year _____ [*previous calendar year*]. Attached to this letter is a copy of _____ [*utility bill or and property tax statement*] showing my place of residence. Also attached is a copy of a current proof of hazard insurance that I maintain for the Home.

I also certify that I have not leased part or all of the Home to a third party, except _____. (Note: prior written approval of Resident Owned Parks required for any rental of the Home)

This Owner Occupancy Certification is signed on _____ __, 20__, under penalty of perjury.

By:_____
Owner [*type name*]

By:_____
Owner [*type name*]

Due Date: February 1 of each calendar year.

Attach copy of utility bill and property tax statement showing address of Home and proof of property insurance (hazard).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Humboldt } ss.

On March 5, 2007 (Date), before me, Mary Ellen Tuite, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Michael Hackett (Name(s) of Signer(s)),

☑ personally known to me

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

MARY ELLEN TUITE
Commission # 1661118
Notary Public - California
Humboldt County
My Comm. Expires Apr 25, 2010

WITNESS my hand and official seal.

Place Notary Seal Above

Mary Ellen Tuite
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Regulatory Agreement

Document Date: _____ Number of Pages: 28 not including Acknowledgments

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Michael Hackett
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is ~~Representing~~: City Manager - City of Arcata

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

© 2004 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 Item No. 5907 Reorder: Call Toll-Free 1-800-876-6827

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento } ss.

On March 8, 2007 (Date), before me, Ruth S. Sias (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared Maurice A. Priest (Name(s) of Signer(s)),

☐ personally known to me

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

RUTH S. SIAS
COMM. #1565999
Notary Public - California
Sacramento County
My Comm. Expires Apr. 29, 2009

NRO1 NRO1

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

© 2004 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 Item No. 5907 Reorder: Call Toll-Free 1-800-876-6827

RECORDING REQUESTED BY:
Fidelity National Title Company
Escrow No.: 06-**5003463**-MN
Locate No.: CAFNT0912-0934-0010-0000501975
Title No.: 06-**501975**

When Recorded Mail Document and Tax Statement To:
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, Ca. 95831

CERTIFIED TO BE A TRUE COPY OF
DOCUMENT RECORDED 3.9.07
INSTRUMENT NO. 2007-8123-2
BOOK _____ PAGE _____
Humboldt COUNTY RECORDS
FIDELITY NATIONAL TITLE BY _____

APN: 503-224-046-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned grantor(s) declare(s)
Documentary transfer tax is $899.80
[X] computed on full value of property conveyed, or
[ ] computed on full value less value of liens or encumbrances remaining at time of sale,
[ ] Unincorporated Area City of **Arcata,**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Warren Clark Morton and Susan Elizabeth Morton, husband and wife

hereby GRANT(S) to Resident Owned Parks, Inc., a California nonprofit housing corporation

the following described real property in the City of **Arcata,** County of **Humboldt,** State of **California:**
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

DATED: March 7, 2007

Warren Clark Morton

Susan Elizabeth Morton

STATE OF CALIFORNIA)
COUNTY OF Humboldt)
ON 3-8-2007 before me,
C. DeNoma Notary Public
(here insert name and title of the officer), personally appeared Warren Clark Morton and Susan Elizabeth Morton

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

C. DENOMA
COMM. #1554480
NOTARY PUBLIC - CALIFORNIA
HUMBOLDT COUNTY
My Comm. Expires Feb. 22, 2009

itness my hand and official seal.

ignature C DeNoma (Seal)

MAIL TAX STATEMENTS AS DIRECTED ABOVE

Escrow No.: 06-**5003463**-MN
Locate No.: CAFNT0912-0934-0010-0000501975
Title No.: 06-**501975**

EXHIBIT "A"

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

Parcel 1, as shown on Parcel Map No. 632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 In Book 5 of Parcel Maps, Page 115

RECORDING REQUESTED BY:
Fidelity National Title Company
Escrow No.: 06-**5003463**-MN
Locate No.: CAFNT0912-0934-0010-0000501975
Title No.: 06-**501975**

When Recorded Mail Document To:
Mr. and Mrs. Warren C. Morton
2485 Bolier Avenue
McKinleyville, Ca. 95519

CERTIFIED TO BE A TRUE COPY OF
DOCUMENT RECORDED 3.9.07
INSTRUMENT NO. 2007-8125-6
BOOK _____ PAGE _____
Humboldt COUNTY RECORDS
FIDELITY NATIONAL TITLE BY _____

APN: 503-224-046-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made January 26, 2007 , between
Resident Owned Parks, Inc., a California nonprofit housing corporation
, herein called **TRUSTOR,** whose address is
7420 Greenhaven Drive, Suite 125, Sacramento, Ca. 95831

Fidelity National Title Company, a California corporation, herein called **TRUSTEE,** and
Warren Clark Morton and Susan Elizabeth Morton, husband and wife, as joint tenants
, herein called **BENEFICIARY,**

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, that property in the City of Arcata, Humboldt County, California, described as:

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

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one Promissory Note of even date herewith, and any extension or renewal thereof, in the principal sum of **$650,000.00** executed by Trustor in favor of Beneficiary or order. 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it is so secured.

INITIALS: _____ _____ _____ _____

APN: 503-224-046-000

To Protect the Security of this Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded in Santa Barbara County and Sonoma County October 18, 1961, and in all other counties October 23, 1961, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, viz:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	435	684	Kings	792	833	Placer	895	301	Sierra	29	335
Alpine	1	250	Lake	362	39	Plumas	151	5	Siskiyou	468	181
Amador	104	348	Lassen	171	471	Riverside	3005	523	Solano	1105	182
Butte	1145	1	Los Angeles	T2055	899	Sacramento	4331	62	Sonoma	1851	689
Calaveras	145	152	Madera	810	170	San Benito	271	383	Stanislaus	1715	456
Colusa	296	617	Marin	1508	339	San Bernardino	5567	61	Sutter	572	297
Contra Costa	3978	47	Mariposa	77	292	San Francisco	A332	905	Tehama	401	289
Del Norte	78	414	Mendocino	579	530	San Joaquin	2470	311	Trinity	93	366
El Dorado	568	456	Merced	1547	538	San Luis Obispo	1151	12	Tulare	2294	275
Fresno	4626	572	Modoc	184	851	San Mateo	4078	420	Tuolumne	135	47
Glenn	422	184	Mono	52	429	Santa Barbara	1878	860	Ventura	2062	386
Humboldt	657	527	Monterey	2194	538	Santa Clara	5336	341	Yolo	653	245
Imperial	1091	501	Napa	639	86	Santa Cruz	1431	494	Yuba	334	486
Inyo	147	598	Nevada	305	320	Shasta	684	528			
Kern	3427	60	Orange	5889	611	San Diego	Series 2 Book 1961, Page 183887				

which provisions, identical in all counties, (printed on the attached unrecorded pages) are hereby adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that Trustor will observe and perform said provisions; and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

DATED: January 26, 2007

Resident Owned Parks, Inc.,
A California nonprofit housing corporation

By: _____
Maurice A. Priest, President

STATE OF CALIFORNIA)
COUNTY OF Sacramento)
ON March 8, 2007 before me,
Ruth S. Sias
(here insert name and title of the officer), personally appeared Maurice A. Priest
,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature _____ (Seal)

RUTH S. SIAS
COMM. #1565999
Notary Public - California
Sacramento County
My Comm. Expires Apr. 29, 2009
NRO1 NRO1

INITIALS: _____ _____ _____ _____

APN: 503-224-046-000

DO NOT RECORD

The following is a copy of provisions (1) to (14), inclusive, of the fictitious deed of trust, recorded in each county in California, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

INITIALS: _____ _____ _____ _____

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such, rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash of lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the proceeding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and pages where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

INITIALS: _____ _____ _____ _____

APN: 503-224-046-000

REQUEST FOR FULL RECONVEYANCE

Fidelity National Title Company, a California corporation, TRUSTEE:
The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

_____ _____

By:_____ By:_____

Please mail Reconveyance to:

_____,

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both original documents must be delivered to the Trustee for cancellation before reconveyance will be made.

STATE OF CALIFORNIA)
COUNTY OF _____)

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

Witness my hand and official seal.

Signature _____ (Seal)

INITIALS: _____ _____ _____ _____

Escrow No.: 06-**5003463**-MN
Locate No.: CAFNT0912-0934-0010-0000501975
Title No.: 06-**501975**

EXHIBIT "A"

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

Parcel 1, as shown on Parcel Map No. 632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

RECORDING REQUESTED BY:

City of Arcata

WHEN RECORDED MAIL TO:
City Clerk
City of Arcata
736 F Street
Arcata, CA 95521

Certified to be a true copy of
document recorded 3.9.07
Instrument No. 2007-8126-20
Book _____ Page _____
Humboldt County Records
Fidelity National Title By _____

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

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOMEPI-MFP-001
SANDPIPER MOBILE HOME PARK

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS is made this 8th day of March, 2007, by Resident Owned Parks Inc, a California nonprofit public benefit corporation, called "Trustor", whose address is **7420 Greenhaven Drive, Suite 125 , Sacramento, CA 95831**, to Fidelity National Title Company, herein called "Trustee", and the City of Arcata, a political subdivision of the State of California, herein called "Beneficiary."

WITNESSETH: that Trustor hereby irrevocably grants, transfers and assigns to Trustee, its successors and assigns, in trust, with power of sale, all Trustor's right, title and interest now owned or later acquired in the real property ("Property") located in the City of Arcata, County of Humboldt, State of California, more particularly described in the attached Exhibit A, incorporated by reference (Trustor agrees that any greater title to the Property later acquired during the term of this Deed of Trust will be subject to this Deed of Trust),

TOGETHER WITH all and singular the tenements, hereditaments, rights, rights of way, easements, privileges and appurtenances thereunto belonging, or in anyway appertaining (all as part of the Property hereby conveyed) which shall be deemed to include but not to be limited to (i) all rents, issues, profits, royalties and revenue therefrom, subject, however, to any right, power and authority hereinafter given to and conferred upon Beneficiary to collect the same; (ii) all buildings ("Buildings") and improvements and fixtures (whether or not annexed thereto) now or hereafter used in connection with the Property or the Development thereon.

FOR THE PURPOSE OF SECURING, the following indebtedness (collectively, the "Indebtedness") in the order of priority that Beneficiary determines:

(1) Payment of the indebtedness evidenced by a Note secured by this Deed of Trust (and any renewals or extensions or modifications thereof) (the "Note"), of even date herewith, in the principal sum of THREE HUNDRED EIGHTEEN THOUSAND FOUR HUNDRED Dollars ($318,400) payable to Beneficiary or to order, and all extensions, modifications or renewals of the Note, the final payment on which is due as described in the Note, executed by Trustor and delivered to Beneficiary, together with the interest thereon and late charges as provided by the Note which is made a part hereof by reference;

(2) Payment of the interest on that indebtedness according to the terms of the Note;

(3) Payment of all other sums (with interest as provided in this Deed of Trust) becoming due and payable to Beneficiary or Trustee pursuant to the terms of this Deed of Trust;

(4) performance of every obligation contained in this Deed of Trust, Note, Loan Agreement and Regulatory Agreement (collectively referred to as "Loan Documents"), all of which are fully incorporated herein by reference together with all exhibits and attachments, and are on file at the offices of the Beneficiary, which is located at 736 F

Street, Arcata, California 95521, any instrument now or later evidencing or securing any indebtedness secured by this Deed of Trust, and any agreements, supplemental agreements, or other instruments of security executed by Trustor as of the same date of this Deed of Trust or at any time subsequent to the date of this Deed of Trust for the purpose of further securing any indebtedness secured by this Deed of Trust, or any part of it, or for the purpose of supplementing or amending this Deed of Trust or any instrument secured by this Deed of Trust; and

(5) payment of all other obligations owed by Trustor to Beneficiary that by their terms recite that they are secured by this Deed of Trust, including those incurred as primary obligor or as guarantor.

ARTICLE 1.
WARRANTY OF TITLE

1.1 Warranty of Title.

Trustor warrants that:

(a) Trustor is the lawful owner of the Property;

(b) Trustor will maintain and preserve the lien of this Deed of Trust until the Indebtedness has been paid in full;

(c) Trustor has good, right, and lawful authority to grant the Property as provided in this Deed of Trust; and

(d) Trustor will forever warrant and defend the grant made in this Deed of Trust against all claims and demands, except as are specifically set forth in this Deed of Trust.

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES

Trustor represents and warrants to Beneficiary that as of the date of this Deed of Trust:

2.1. Organization of the Loan Parties.

(a) Trustor is a nonprofit public benefit corporation organized, validly existing, and in good standing under the laws of the State of California and is qualified to do business in California.

(b) Trustor has the requisite power and authority to own and manage its properties, to carry on its business as now being conducted, and to own, develop, and operate the Property.

(c) Trustor is qualified to do business in every jurisdiction in which the nature of its business or its properties makes qualification necessary.

(d) Trustor is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to it.

2.2. Validity of Loan Documents.

(a) The execution, delivery, and performance by the parties of the Loan Documents and the borrowings evidenced by the Note:

(i) are within the power of the parties;

(ii) have been duly authorized by all requisite corporate or partnership actions, as appropriate;

(iii) have received all necessary governmental approval; and

(iv) will not violate any provision of law, any order of any court or agency of government, the charter documents of any party, or any indenture, agreement, or any other instrument to which any party has entered or by which any party or any of its property is bound, nor will they conflict with, result in a breach of, or constitute (with due notice and lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature on any of the property or assets of any party, except as contemplated by the provisions of the Loan Documents.

(b) Each of the Loan Documents, when executed and delivered to Beneficiary, will constitute a valid obligation, enforceable in accordance with its terms.

2.3. Financial Statements.

(a) All financial statements and data that have been given to Beneficiary with respect to Trustor:

(i) are complete and correct in all material respects;

(ii) accurately present the financial condition of Trustor on each date as of which they have been furnished, and accurately present the results of the operations of Trustor for the periods for which they have been furnished; and

(iii) have been prepared in accordance with generally accepted accounting principles consistently

applied throughout the periods covered.

(b) All balance sheets and the notes with respect to the Trustor furnished to Beneficiary disclose all liabilities of Trustor, fixed and contingent, as of their respective dates, as well as all obligations of Trustor under any guaranties.

(c) There has been no material adverse change in the financial condition or operations of Trustor since:

(i) the date of the most recent financial statement given to Beneficiary with respect to Trustor of the Property, or

(ii) the date of the financial statements given to Beneficiary immediately prior to the date of this Deed of Trust, other than changes in the ordinary course of business, none of which constitute a material adverse change, either individually or in the aggregate.

2.4. Use of Proceeds of Loan.

Trustor will use the funds or the Property advanced pursuant to the Note to develop, maintain, and operate the Development.

2.5. Other Arrangements.

Trustor is not a party to any agreement or instrument materially and adversely affecting Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise; and Trustor is not in default in the performance, observance, or fulfillment of any of the material obligations, covenants, or conditions in any agreement or instrument to which Trustor is a party that materially affect Trustor's present or proposed business, properties, assets, operation, or condition, financial or otherwise.

2.6. Other Information.

All other reports, papers, data, and information given to Beneficiary with respect to Trustor and the Property are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Beneficiary a true and accurate knowledge of the subject matter.

2.7. Litigation.

There is not now pending against or affecting Trustor, nor to the knowledge of Trustor is there threatened, any action, suit, or proceeding at law or in equity or before any administrative agency that, if adversely determined, would materially impair or affect the financial condition or operations of Trustor, or the condition or operation of the Property.

2.8. Taxes.

Trustor has filed all federal, state, county, and municipal income tax returns required to have been filed and has paid all taxes that have become due pursuant to those returns or pursuant to any assessments received by Trustor, and Trustor does not know of any basis for any additional assessment against Trustor in respect of those taxes.

ARTICLE 3.
AFFIRMATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

3.1. Obligations of Trustor.

Trustor will pay the Indebtedness and Trustor will continue to be liable for the payment of the Indebtedness until it has been paid in full. In addition, Trustor

(a) will timely perform all the covenants, agreements, terms, and conditions to be performed by Trustor:

(i) under this Deed of Trust and the Loan Documents;

(ii) as seller under each contract of sale of, and as lessor under each lease of, for any portion of the Property for which a contract of sale or lease has been approved in writing by Beneficiary;

(iii) as required of Trustor under each document and agreement constituting one of the Security Documents;

(iv) under all other agreements between Trustor and Beneficiary in accordance with the respective terms of the agreement; and

(v) as required of Trustor under all other agreements to which Trustor is a party with respect to the Property;

(b) will not cancel, surrender, modify, amend, or permit the cancellation, surrender, modification, or amendment of any of the previously mentioned agreements or any of the covenants, agreements, terms, or conditions contained in any of them without the prior written consent, in each case, of Beneficiary; and

(c) will keep Beneficiary indemnified against all actions, proceedings, costs (including, without limitation, Beneficiary's counsel fees and disbursements), claims, and damages incurred or sustained by Beneficiary in respect of the nonpayment of any charges or the nonobservance or nonperformance of any of the covenants, agreements, terms, or conditions in any of the previously mentioned agreements.

3.2 Insurance.

(a) Trustor, at its sole cost and expense, will keep the Property insured for the mutual benefit of Trustor and Beneficiary against loss or damage as required in Section 15 of the Regulatory Agreement and Section 2(b) of the Loan Agreement.

(b) Effective on the occurrence of any Event of Default, all of Trustor's right, title, and interest in all policies of property insurance and any unearned premiums paid are assigned to Beneficiary, who may assign them to any purchaser of the Property at any foreclosure sale.

3.3 Imposition; Impounds.

(a) Impositions Affecting the Property. Trustor will pay when due all Impositions that are or that may become a lien on the Property or are assessed against the Property or its rents, royalties, profits, and income.

(b) Taxes Affecting Trustor. Trustor will file all federal, state, provincial, county, and municipal income tax returns required to be filed and will pay all taxes that become due pursuant to the returns or pursuant to any assessments received by Trustor.

(c) Impounds; Impound Account. At the request of Beneficiary, Trustor will pay on a monthly basis to Beneficiary an amount equal to one-twelfth (1/12th) of the annual cost of taxes and assessments on the Property together with premiums; the accumulated funds will be released to Trustor for payment of taxes, assessments, and insurance premiums, or may be directly applied by Beneficiary, if Beneficiary elects.

3.4 Further Assurances.

Trustor, at Trustor's expense and at any time on the reasonable request of Beneficiary, will execute, acknowledge, and deliver any additional papers and instruments (including, without limitation, a declaration of no setoff) and any further assurances of title and will do or cause to be done all further acts and things that may be proper or reasonably necessary to carry out the purpose of this Deed of Trust and of the Loan Documents and to subject to the liens any property intended by the terms to be covered and any renewals, additions, substitutions, replacements, or betterments.

3.5 Indemnity.

(a) If any action or proceeding (whether judicial, regulatory, or administrative) is threatened or commenced, except an action to foreclose this Deed of Trust or to collect the Indebtedness that affects the Property or any portion of it in which Beneficiary is or could be made a party, or in which it becomes necessary to defend or uphold the lien of this Deed of Trust, then all costs, fees, and expenses incurred by Beneficiary with respect to the action or proceeding (including, without limitation, attorney fees and expenses) will, within ten (10) days after the submission of bills for the costs to Trustor, be paid directly to the billing party by Trustor.

(b) In addition, Trustor agrees to pay all costs, including, without limitation, attorney fees and expenses, incurred by Beneficiary in enforcing the terms of this Deed of Trust or the terms of any of the Loan Documents, whether or not suit is filed. Trustor agrees to indemnify and hold Beneficiary harmless from all liability, loss, damage, or expense (including, without limitation, attorney fees) that it may incur under this Deed of Trust, or in connection with the making of any of the loans or financial arrangements secured by this Deed of Trust, the enforcement of any of Beneficiary's rights or remedies, any action taken by Beneficiary under this Deed of Trust, or by reason or in defense of any claims and demands that may be asserted against Beneficiary arising out of the Collateral.

(c) On the failure of Trustor to make timely payment pursuant to the terms of this Deed of Trust, the payment may be paid by Beneficiary. Sums of money paid by Beneficiary, and sums owed to Beneficiary pursuant to this Deed of Trust, together with interest at the Default Rate from the date Beneficiary makes the payment or incurs the loss, will be secured by this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

(d) The provisions of this Section 3.5 will survive the termination of this Deed of Trust and the repayment of the Indebtedness.

3.6 Reimbursement.

Beneficiary will have the right to declare immediately due any amount paid by it for any tax, stamp tax, assessment, water rate, sewer rate, insurance premium, repair, rent charge, debt, claim, inspection, or lien having priority over this Deed of Trust, or over any other agreement given to secure the Indebtedness.

3.7 Litigation.

Trustor will promptly give written notice to Beneficiary of any litigation commenced or threatened affecting Trustor or the Property other than unlawful detainer proceedings brought by Trustor.

ARTICLE 4.
NEGATIVE COVENANTS

Until the entire Indebtedness has been paid in full, Trustor covenants to and agrees with Beneficiary as follows:

4.1 Other Financing, Subordination.

Except for the liens securing the Indebtedness, Trustor will not create or permit to continue in existence any mortgage, pledge, encumbrance, lien, or charge of any kind (including purchase money and conditional sale liens) on any of the Property in a superior position on title except for:

(a) liens for taxes not yet delinquent; and

(b) permanent financing loan(s) not to exceed SIX HUNDRED FIFTY THOUSAND Dollars ($650,000), which Beneficiary's loan shall be subordinate to. Beneficiary shall approve in writing the amount of the final permanent financing prior to closing of the permanent financing loan(s).

Any transaction in violation of this section will cause all Indebtedness, irrespective of the Maturity Date, at the option of the holder and without demand or notice, to immediately become due.

4.2 Transferability.

One of the inducements to Beneficiary for making the Loan is the identity of Trustor. The existence of any interest in the Property other than the interests of Trustor and Beneficiary and any encumbrance permitted in this Deed of Trust, even though subordinate to the security interest of Beneficiary, and the existence of any interest in Trustor other than those of the present owners, would impair the Property and the security interest of Beneficiary, and, therefore, Trustor will not sell, convey, assign, transfer, alienate, or otherwise dispose of its interest in the Property, either voluntarily or by operation of law, or agree to do so, without the prior written consent of Beneficiary. Consent to one transaction by Beneficiary will not be deemed a waiver of the right to require consent to further or successive transactions. If Trustor is a corporation, any sale, transfer, or disposition of fifty percent (50%) or more of the voting stock of Trustor or of any corporation that directly or indirectly owns or controls Trustor, including, without limitation, the parent company of Trustor and the parent company of the parent company of Trustor, will constitute a sale of the Property for purposes of this article. If Trustor is a partnership, any change or addition of a general partner of Trustor, change of a partnership interest of Trustor, or sale, transfer, or disposition of fifty percent (50%) or more of the voting stock or partnership interest of any partner of Trustor or of any corporation or partnership that directly or indirectly owns or controls any partner of Trustor, including, without limitation, each parent company of a partner of Trustor and each parent company of any parent company of a partner of Trustor, will constitute a sale of the Property for purposes of this section. Any transaction in violation of this section will cause all Indebtedness, irrespective of the maturity dates, at the option of the holder and without demand or notice, immediately to become due, together with any prepayment premium in accordance with the terms of the Note.

4.3 Replacement of Fixtures and Personalty.

Trustor will not permit any of the fixtures located on the Development or now or later installed in or used in connection with the Development, whether or not permanently affixed to the Property ("Fixtures") or any personal property ("Personalty") now or later located on the Property to be removed at any time from the Property without the prior written consent of Beneficiary unless actually replaced by articles of equal suitability and value owned by Trustor free and clear of any lien or security interest except as may be approved in writing by Beneficiary.

ARTICLE 5.

CASUALTIES AND CONDEMNATION

5.1 Casualties.

(a) Trustor will promptly notify Beneficiary in writing after any loss or damage caused by fire or other casualty to the Property prior to the making of any repairs. Trustor will furnish to Beneficiary within ninety (90) days after the loss or damage the following:

(i) evidence satisfactory to Beneficiary of the cost of repair or reconstruction;

(ii) evidence satisfactory to Beneficiary that sufficient funds are available or committed for the benefit of Beneficiary, including insurance proceeds, payment and performance bonds, or otherwise, to complete the repair or reconstruction; and

(iii) evidence satisfactory to Beneficiary that the repair or reconstruction may be completed in accordance with all applicable laws, rules, regulations, and ordinances and that all necessary permits and approvals have been or will be obtained.

If Trustor does not furnish this evidence to Beneficiary within the ninety-day period, or if Beneficiary in its sole discretion determines that repair or reconstruction is not economically feasible, then within thirty (30) days after the expiration of the ninety-day period, Beneficiary will have the option (in this Deed of Trust, "Repayment Option") to have all insurance proceeds applied against the Indebtedness. If Beneficiary elects the Repayment Option, Trustor will immediately transfer to Beneficiary all insurance proceeds received by it, if any, to the extent of the Indebtedness, and Beneficiary will apply the insurance proceeds received by it, if any, against the Indebtedness. If the insurance proceeds held by Trustor and Beneficiary will exceed the Indebtedness, any excess insurance proceeds will belong and be paid over to or be retained by Trustor.

(b) If Beneficiary does not elect the Repayment Option within the specified time period, Trustor will with all diligence repair or otherwise reconstruct the damage to the Property, all according to the original plans and specifications for the improvements and elevations or any modified plans and specifications conforming to the then laws and regulations as will first have been approved in writing by Beneficiary and any occupants of the Improvements having the right to approve. Beneficiary will use all insurance proceeds, if any, received by it relating to the damage or destruction to reimburse Trustor from time to time for expenditures made for repair of the damage or for the erection of any building, structure, or improvements in their place if permitted as follows:

(i) At the end of each month against Trustor's architect's certificate, an amount that will be that proportion of the insurance proceeds held in trust that eighty-five percent (85%) of the payments to be made to the contractors or materialmen for work done, materials supplied, and services rendered during that month bears to the total contract price.

(ii) At the completion of the work, the balance of the proceeds required for completing the payments for the work will be paid to or for the account of Trustor, provided that at the time of the payment:

(A) there are no liens (as evidenced by an endorsement satisfactory to Beneficiary issued by Trustee) against the Property by reason of the work, or proof satisfactory to Beneficiary has been submitted that all costs of the work have been paid; and

(B) Trustor's architect will certify that all required work is completed and is proper and of a quality and class of the original work required by the original plans and specifications and in accordance with the approved plans and specifications.

If the insurance proceeds exceed the costs of completing the work, the excess insurance proceeds will belong and be retained by or be paid over to Beneficiary to be applied against the Indebtedness. If the costs of completing the work exceed the insurance proceeds, Trustor will pay the balance of the costs of completing the work within thirty (30) days after the completion.

5.2. Condemnation.

Trustor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion of it, will notify Trustee and Beneficiary of the pendency of the proceedings. Trustee and Beneficiary may participate in any proceedings and Trustor from time to time will deliver to Beneficiary all instruments requested by Beneficiary to permit participation. If there are condemnation proceedings, the award or compensation payable is assigned to and will be paid to Beneficiary. Beneficiary will be under no obligation to question the amount of any award or compensation and may accept it in the amount in which it is paid. In any condemnation proceedings, Beneficiary may be represented by counsel selected by Beneficiary. The proceeds of any award or compensation received will, at the option of Beneficiary, either be applied, without premium, to the prepayment of the Note or be paid over to

Trustor for restoration of the Improvements in accordance with the provisions of this Deed of Trust.

ARTICLE 6.
EVENTS OF DEFAULT AND REMEDIES OF BENEFICIARY

6.1 Events of Default.

(a) The following events are each an Event of Default:

(i) Default in the payment of any sum of principal or interest when due under the Note or any other sum due under the Loan Documents.

(ii) The failure (without cure during the applicable period, if any, for cure) of any party to this loan ("Loan Party") to observe, perform, or discharge any obligation, term, covenant, or condition of Loan Documents, any agreement relating to the Property, or any agreement or instrument between any Loan Party and Beneficiary.

(iii) The entry of an order for relief under federal bankruptcy laws as to Trustor or the adjudication of Trustor as insolvent or bankrupt pursuant to the provisions of any state insolvency or bankruptcy act; the commencement by Trustor of any case, proceeding, or other action seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or other relief for debtors; Trustor's consent to, acquiescence in, or attempt to secure the appointment of, any Receiver of all or any substantial part of its properties or of the Property; Trustor's generally not paying its debts as they become due or admitting in writing its inability to pay its debts or making a general assignment for the benefit of creditors; or Trustor's taking of any action to authorize any of the acts set forth above in this section.

(iv) Any case, proceeding, or other action against Trustor is commenced, seeking to have an order for relief entered against it as a debtor or seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation relating to bankruptcy, insolvency, reorganization, or other relief for debtors, or seeking appointment of any Receiver for Trustor or for all or any substantial part of its property or for the Property, and that case, proceeding, or other action:

(A) results in the entry of an order for relief against it that is not fully stayed within seven business days after the entry, or

(B) remains undismissed for an aggregate of thirty (30) days (whether or not consecutive); or the possibility that any portion of the Property would, by operation of law or otherwise, devolve on or pass to any Person other than Trustor and that situation continues and is not remedied by Trustor within thirty (30) days after the happening of the event.

(v) The assignment by Trustor, as lessor or sublessor, as the case may be, of the rents or the income of the Property or any part of it (other than to Beneficiary) without first obtaining the written consent of Beneficiary.

(vi) The filing of any claim or lien against the Property or any part of it, except for those liens to which Beneficiary has specifically agreed to subordinate to as specified in Section 4.1, and the continued maintenance of the claim or lien for a period of thirty (30) days without discharge, satisfaction, or adequate bonding in accordance with the terms of this Deed of Trust;

(vii) Default under any agreement to which Trustor is a party, which agreement relates to the borrowing of money by Trustor from any Person.

(viii) Any representation or warranty made by any Loan Party or any other Person under this Deed of Trust or in, under, or pursuant to the Loan Documents, is false or misleading in any material respect as of the date on which the representation or warranty was made.

(ix) Any of the Loan Documents, at any time after their respective execution and delivery and for any reason, cease to be in full force or are declared null and void, or the validity or enforceability is contested by any Loan Party or any stockholder or partner of any Loan Party, or any Loan Party denies that it has any or further liability or obligation under any of the Loan Documents to which it is a party.

(x) Any of the Security Documents, at any time after their respective execution and delivery and for any reason, cease to constitute valid and subsisting liens or valid and perfected security interests in and to the property purported to be subject to any of the Security Documents;

(xi) Any representation made by any Loan Party in the Certification Agreement is false or misleading in any material respect as of the date made, or any breach or default in any of Trustor's obligations under the

Certification Agreement;

(xii) The occurrence of any material adverse change in the business or properties or condition (financial or otherwise) of Trustor or the condition or operation of the Property.

(b) If one or more Event of Default occurs and is continuing, then Beneficiary may declare all the Indebtedness to be due and the Indebtedness will become due without any further presentment, demand, protest, or notice of any kind, and Beneficiary may:

(i) in person, by agent, or by a receiver, and without regard to the adequacy of security, the solvency of Trustor, or the existence of waste, enter on and take possession of the Property or any part of it in its own name or in the name of Trustee, sue for or otherwise collect the rents, issues, and profits, and apply them, less costs and expenses of operation and collection, including reasonable attorney fees, upon the Indebtedness, all in any order that Beneficiary may determine. The entering on and taking possession of the Property, the collection of rents, issues, and profits, and the application of them will not cure or waive any default or notice of default or invalidate any act done pursuant to the notice;

(ii) commence an action to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages of real property;

(iii) deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Property to be sold, which notice Trustee or Beneficiary will cause to be filed for record;

(iv) with respect to any Personalty, proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect of the Property, or proceed to sell the Personalty separately and without regard to the Property in accordance with Beneficiary's rights and remedies; or

(v) exercise any of these remedies in combination or any other remedy at law or in equity.

6.2 Power of Sale.

(a) If Beneficiary elects to foreclose by exercise of the power of sale in this Deed of Trust, Beneficiary will also deposit with Trustee this Deed of Trust, the Note, and any receipts and evidence of expenditures made and secured as Trustee may require. If notice of default has been given as then required by law, and after lapse of the time that may then be required by law, after recordation of the notice of default, Trustee, without demand on Trustor, will, after notice of sale having been given as required by law, sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels as Trustee determines, and in any order that it may determine, at public auction to the highest bidder. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time after that may postpone the sale by public announcement at the time fixed by the preceding postponement, and without further notice make the sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Beneficiary may rescind any notice of default at any time before Trustee's sale by executing a notice of rescission and recording it. The recordation of the notice will constitute a cancellation of any prior declaration of default and demand for sale and of any acceleration of maturity of Indebtedness affected by any prior declaration or notice of default. The exercise by Beneficiary of the right of rescission will not constitute a waiver of any default then existing or subsequently occurring, or impair the right of Beneficiary to execute other declarations of default and demand for sale, or notices of default and of election to cause the Property to be sold, nor otherwise affect the Note or this Deed of Trust, or any of the rights, obligations, or remedies of Beneficiary or Trustee. After sale, Trustee will deliver to the purchaser its deed conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts will be conclusive proof of their truthfulness. Any Person, including Trustor, Trustee, or Beneficiary, may purchase at that sale. If allowed by law, Beneficiary, if it is the purchaser, may turn in the Note at the amount owing on it toward payment of the purchase price (or for endorsement of the purchase price as a payment on the Note if the amount owing exceeds the purchase price). Trustor expressly waives any right of redemption after sale that Trustor may have at the time of sale or that may apply to the sale.

(b) Trustee, upon the sale, will make (without any covenant or warranty, express or implied), execute and, after due payment made, deliver to a purchaser and its heirs or assigns a deed or other record of interest, as the case may be, to the Property sold, which will convey to the purchaser all the title and interest of Trustor in the Property and will apply the proceeds of the sale in payment:

(i) first, of the expenses of the sale together with the expenses of the trust, including, without limitation, attorney fees, that will become due on any default made by Trustor, and also any sums that Trustee or Beneficiary have paid for procuring a search of the title to the Property subsequent to the execution of this Deed of Trust; and

(ii) second, in payment of the Indebtedness then remaining unpaid, and the amount of all other monies

with interest in this Deed of Trust agreed or provided to be paid by Trustor.

Trustee will pay the balance or surplus of the proceeds of sale to Trustor and its successors or assigns as its interests may appear.

6.3. Proof of Default.

If there is a sale of the Property, or any part of it, and the execution of a deed for it, the recital of default and of recording notice of breach and election of sale, and of the elapsing of the required time between the recording and the following notice, and of the giving of notice of sale, and of a demand by Beneficiary that the sale should be made, will be conclusive proof of the default, recording, election, elapsing of time, and the due giving of notice, and that the sale was regularly and validly made on proper demand by Beneficiary. Any deed with these recitals will be effectual and conclusive against Trustor, its successors, and assigns, and all other Persons. The receipt for the purchase money recited or in any deed executed to the purchaser will be sufficient discharge to the purchaser from all obligations to see to the proper application of the purchase money.

6.4 Protection of Security.

If an Event of Default occurs and is continuing, Beneficiary or Trustee, without limitation to do so, without notice to or demand upon Trustor, and without releasing Trustor from any obligations or defaults may:

(a) enter on the Property in any manner and to any extent that either deems necessary to protect the security of this Deed of Trust;

(b) appear in and defend any action or proceeding purporting to affect, in any manner, the Obligations or the Indebtedness, the security of this Deed of Trust, or the rights or powers of Beneficiary or Trustee;

(c) pay, purchase, or compromise any encumbrance, charge, or lien that in the judgment of Beneficiary or Trustee is prior or superior to this Deed of Trust; and

(d) pay necessary expenses, employ counsel, and pay reasonable attorney fees.

Trustor agrees to repay on demand all sums expended by Trustee or Beneficiary pursuant to this section with interest at the Default Rate, and those sums, with interest, will be secured by this Deed of Trust.

6.5. Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of strict right and without notice to Trustor or anyone claiming under Trustor and without regard to the then value of the Property, will have the right to apply *ex parte* to any court having jurisdiction to appoint a Receiver of the Property, and Trustor waives notice of any application for that, provided a hearing to confirm the appointment with notice to Trustor is set within fourteen (14) days after the appointment. Any Receiver will have all the powers and duties of receivers in similar cases and all the powers and duties of Beneficiary in case of entry as provided in this Deed of Trust, and will continue as such and exercise all those powers until the date of confirmation of sale, unless the receivership is terminated sooner.

6.6. Curing the Defaults.

If Trustor at any time fails to perform or comply with any of the terms, covenants, and conditions required on Trustor's part to be performed and complied with under this Deed of Trust, the Note, any of the other Loan Documents, or any other agreement that, under the terms of this Deed of Trust, Trustor is required to perform, then Beneficiary, after seven (7) Business Days' notice to Trustor (or without notice if Beneficiary determines that an emergency exists), and without waiving or releasing Trustor from any of the Obligations, may, subject to the provisions of any of the agreements:

(a) make from its own funds any payments payable by Trustor and take out, pay for, and maintain any of the insurance policies provided for; and

(b) perform any other acts on the part of Trustor to be performed and enter on the Property for that purpose.

The making by Beneficiary of payments out of Beneficiary's own funds will not, however, be deemed to cure the default by Trustor, and they will not be cured unless and until Trustor reimburses Beneficiary for the payments. All sums paid and all reasonable costs and expenses incurred by Beneficiary in connection with the performance of any act, together with interest on unpaid balances at the Default Rate from the respective dates of Beneficiary's making of each payment, will be added to the principal of the Indebtedness, will be secured by the Security Documents and by the lien of this Deed of Trust, prior to any right, title, or interest in or claim on the Property attaching or accruing subsequent to the lien of this Deed of Trust, and will be payable by Trustor to Beneficiary on demand.

6.7 Remedies Cumulative.

All remedies of Beneficiary provided for in this Deed of Trust are cumulative and will be in addition to all other rights and remedies provided in the other Loan Documents or provided by law, including any banker's lien and right of offset. The exercise of any right or remedy by Beneficiary will not in any way constitute a cure or waiver of default, will not invalidate any act done pursuant to any notice of default, nor will it prejudice Beneficiary in the exercise of any of its rights unless, in the exercise of those rights, Beneficiary collects the total amount of the Indebtedness.

ARTICLE 7.
SECURITY AGREEMENT

7.1 Grant of Security Interest.

Trustor also grants to Beneficiary a security interest in all of Trustor's right, title, and interest now owned or later acquired to the following property (collectively, "Collateral") now or later affixed to or located on the Property, or used in connection with the operation of the Property or the Improvements and all the proceeds of that property: the Personalty; the Fixtures; all machinery, equipment, engines, appliances, and fixtures for generating or distributing air, water, heat, electricity, light, fuel, or refrigeration, or for ventilating or sanitary purposes, or for the exclusion of vermin or insects, or for the removal of dust, refuse, or garbage; all fire hoses and brackets and boxes for them, fire sprinklers, alarm systems, linoleum, carpets and carpeting, plumbing, bathtubs, sinks, basins, pipes, faucets, water closets, laundry equipment, washers, dryers, refrigerators, heating units, stoves, ovens, ranges, dishwashers, disposals, water heaters, incinerators, furniture, fixtures, and furnishings; all building materials, supplies, and equipment now or later delivered to the Property; all security and cleaning deposits collected from any tenants or lessees of any part of the Property; and, subject to the other provisions of this Deed of Trust, all proceeds of any fire and builders' risk insurance policy, or of any policy insuring the Property (and the contents of the Improvements) against any other perils, all awards made in eminent domain proceedings, or purchased in lieu of that, made with respect to the Property, and any compensation, award, payment, or relief given by any governmental agency or other source because of damage to the Property resulting from earthquake, flood, windstorm, or any emergency or any other event or circumstance. The specific enumerations in this Deed of Trust do not exclude the general.

The security interest also includes all additions to, substitutions for, changes in, or replacements of the whole or any part of these articles of property, together with all contract rights of Trustor in construction contracts, bonds, agreements for purchase and sale of the Property, all policies of insurance arising out of the improvement or ownership of the Property, and all accounts, contract rights, chattel paper, instruments, general intangibles, and other obligations of any kind now or later existing, arising out of, or in connection with the operation or development of the Property. The security interest also includes all rights now or later existing in all security agreements, leases, and other contracts securing or otherwise relating to any accounts, contract rights, chattel paper, instruments, general intangibles, or obligations; all causes of action and recoveries now or later existing for any loss or diminution in value of the Property; all proceeds of any of the Collateral; and, to the extent not otherwise included, all payments under insurance (whether Beneficiary is the loss payee), or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to any of the Collateral.

7.2. Remedies.

This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is granted a security interest. Beneficiary has all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor agrees to execute and deliver on demand, and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to execute, deliver, and file, any security agreements, financing statements, continuation statements, or other instruments that Beneficiary may request to impose, perfect, or continue the perfection of the lien or security interest created by this Deed of Trust. On the occurrence of any Event of Default (taking into account any applicable period of grace or cure), Beneficiary will have the right to sell at any public or private sales as permitted by applicable law any of the Collateral that is personal property. Beneficiary will also have any other rights and remedies, whether at law, in equity, or by statute that are available to secured creditors. Any disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any Person, including both Trustor and Beneficiary, will be eligible to purchase any part or all of the Collateral at any disposition.

7.3 Expenses.

Expenses of retaking, holding, and preparing for sale, selling, or the like will be borne by Trustor and will include Beneficiary's and Trustee's attorney fees and legal expenses. Trustor, on demand of Beneficiary, will assemble the Collateral and make it available to Beneficiary at the Property, a place deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary will give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time of or after which any private sale or any other intended disposition is to be made. If the notice is sent to Trustor in the manner provided for the mailing of notices in this Deed of Trust, it is deemed reasonable notice to Trustor.

7.4 Fixture Filing.

(a) This Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to all Fixtures included within the term Property as used in this Deed of Trust and with respect to any goods, Collateral, or other personal property that may now be or later become fixtures.

(b) It is understood and agreed that, to protect Beneficiary against the effect of Uniform Commercial Code 9313, if any fixture owned by Trustor on the Property, or any part of any fixture, is replaced or added to, or any new fixture owned by Trustor is installed by Trustor, and in each case the fixture has a cost or fair market value in excess of Five Thousand Dollars ($5,000.00), and the fixture is or may be subject to a security interest held by a seller or any other party, the following will apply:

(i) Trustor or any owner of all or any part of the Property will, before the replacement, addition, or installation of any fixture, obtain the prior written approval of Beneficiary, and give Beneficiary written notice that a security agreement with respect to the fixture has been or will be consummated, and the notice will contain the following information:

(A) a description of the fixtures to be replaced, added to, installed, or substituted;

(B) a recital of the location at which the fixtures will be replaced, added to, installed, or substituted;

(C) a statement of the name and address of the holder and amount of the security interest; and

(D) the date of the purchase of the fixtures.

Neither this subsection nor any consent by Beneficiary pursuant to this subsection will constitute an agreement to subordinate any right of Beneficiary in fixtures or other property covered by this Deed of Trust.

(ii) Beneficiary may at any time pay the balance due under the security agreement and the amount paid will be:

(A) secured by this Deed of Trust and will be a lien on the Property, enjoying the same priorities as this Deed of Trust,

(B) added to the amount of the Note or other obligation secured by this Deed of Trust, and

(C) payable on demand with interest at the Default Rate from the time of the payment; and if Trustor is in default for ten (10) days after demand, the entire principal sum secured with all unpaid interest will, at the Beneficiary's option, become immediately due, regardless of any contrary provision in this Deed of Trust or the Note; or Beneficiary will have the privilege of acquiring by assignment from the holder of the security interest any contract rights, accounts receivable, chattel paper, negotiable or nonnegotiable instruments, or other evidence of Trustor's Indebtedness for the fixtures, and, on acquiring these interests by assignment, will have the right to enforce the security interest as an assignee, in accordance with the California Uniform Commercial Code and other applicable law.

(iii) Whether Beneficiary has paid or taken an assignment of the security interest, if at any time Trustor is in default for a period of ten (10) days under the security agreement covering the fixtures, that default will be considered a material breach of Trustor's covenants under this Deed of Trust, and will, at Beneficiary's option, constitute a default under this Deed of Trust, and the principal sum secured will, at Beneficiary's option, become immediately due.

(iv) The provisions of subsections (ii) and (iii) above will not apply if the goods that may become fixtures are of at least equivalent value and quality as any property being replaced and if the rights of the party holding the security interest have been expressly subordinated, at no cost to Beneficiary, to the lien of this Deed of Trust in a manner satisfactory to Beneficiary, including, without limitation, at Beneficiary's option, providing to Beneficiary a satisfactory opinion of counsel that this Deed of Trust constitutes a valid and subsisting first lien on the fixtures that is not subordinate to the lien of the security interest under any applicable law, including, without limitation, the provisions of Uniform Commercial Code 9313.

7.5 Assignment of Agreements.

(a) As partial security for the Loan, Trustor sells, assigns, transfers, sets over, and delivers to Beneficiary all of Trustor's right, title, and interest in all agreements, permits, and contracts pertaining to the use or operation of the Property, including, but not limited to, environmental impact reports; negative declarations; map approvals; grading and construction permits; conditional use permits; applications for all permits; management agreements; all development rights in the Property that Trustor may now or later acquire (including, without limitation, development rights arising in connection with any action by a governmental entity, including, by way of illustration, but not of limitation, inducement resolutions of county, municipal, or other governmental entities); agreements with contractors, suppliers, and construction managers; and agreements pertaining to the transfer of development rights or permitted floor area under applicable laws or ordinances (collectively, "Agreements"), as they may be amended or otherwise modified from time to time, including, without limitation, the right of Trustor to terminate any of the Agreements, to perform under them, and to compel performance and otherwise exercise all remedies under them, together with the immediate and continuing right to collect and receive all sums that may become due to Trustor, or which Trustor may now or later become entitled to demand or claim, arising or issuing out of the Agreements, including, without limitation, claims of Trustor for damages arising out of breach of or default under any of the Agreements and all rights of Trustor to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to any of the Agreements. However, so long as no Event of Default has occurred and is continuing, Trustor will have the right under a license granted to collect and retain all sums that may become payable to Trustor under the Agreements.

(b) Trustor covenants and agrees to punctually observe, perform, and discharge the obligations, terms, covenants, conditions, and warranties to be observed, performed, and discharged by it under the Agreements. Beneficiary, upon an Event of Default, at its option and upon written notice to Trustor, will have the right to declare the assignment in this Article to be absolute, and, in addition, Beneficiary will have the complete right then or later to exercise and enforce all of the rights and remedies provided by law.

(c) The acceptance by Beneficiary of the assignment in this Article, with all the rights, powers, privileges, and authority granted will not, prior to the exercise of Beneficiary's right to declare the assignment in this Article to be absolute, obligate Beneficiary to assume any obligations under the Agreements or to take any action under them, or to expend any money or incur any expense or perform or discharge any obligation, duty, or liability under the Agreements, or to assume any obligation or responsibility for the nonperformance of the provisions by Trustor.

ARTICLE 8.
ASSIGNMENT OF LEASES AND RENTS

8.1 Assignment.

Trustor irrevocably assigns to Beneficiary

(a) all of Trustor's right, title, and interest in all leases; licenses; agreements relating to the management, leasing, or operation of the Property; and other agreements of any kind relating to the use or occupancy of the Property, whether now existing or entered into after the date of this Deed of Trust ("Leases"), and

(b) the rents, issues, and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("Payments"), for the purposes and on the terms and conditions below.

The term Leases will also include all guarantees of and security for the lessees' performance, and all amendments, extensions, renewals, or modifications that are permitted. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent on, and may be exercised without, possession of the Property.

8.2 License.

Beneficiary confers on Trustor a license ("License") to collect and retain the Payments as they become due until the occurrence of an Event of Default. Upon an Event of Default, the License will be automatically revoked and Beneficiary may collect and retain the Payments without notice and without taking possession of the Property. Trustor irrevocably authorizes and directs the lessees under the Leases to rely on and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums that may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases. The lessees will have no right or duty to inquire as to whether any Default has actually occurred or is then existing. Trustor relieves the lessees from any liability to Trustor by reason of relying on and complying with any notice or demand by Beneficiary.

8.3 Effect of Assignment.

The assignment will not impose on Beneficiary any duty to produce rents, issues, or profits from the Property, or cause Beneficiary to be:

(a) a mortgagee-in-possession for any purpose;

(b) responsible for performing any of the obligations of the lessor under any of the Leases; or

(c) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property.

Beneficiary will not be liable to Trustor or any other party as a consequence of the exercise of the rights granted to Beneficiary under this assignment or the failure of Beneficiary to perform any obligation of Trustor arising under the Leases.

8.4 Leasing Covenants.

Trustor covenants and agrees as follows:

(a) At Trustor's sole cost to:

(i) perform all obligations of the lessor under the Leases and enforce performance by the lessees of their obligations under the Leases;

(ii) enforce all remedies available to Trustor in case of default by the lessees under any of the Leases and prosecute and defend any action, arbitration, or other controversy relating to any of the Leases or to Trustor's interest in any of the Leases;

(iii) give Beneficiary prompt notice of any default that occurs under any of the Leases, whether by the lessees or Trustor;

(iv) promptly upon execution, deliver to Beneficiary fully executed counterpart originals of the Leases; and

(b) except with Beneficiary's prior written consent, not to:

(i) execute any other assignment relating to any of the Leases or the Payments;

(ii) subordinate any of the Leases to any other deed of trust or encumbrance.

Any attempted action in violation of the provisions of Section 8.4(b) will be voidable at Beneficiary's election.

8.5. Application of Rents.

Beneficiary, in its sole discretion, may apply, or require the application of, all amounts received pursuant to the assignment to the payment of any one or more of the Obligations in any order that Beneficiary may elect.

8.6. Estoppel Certificates.

Within twenty (20) days after request by Beneficiary, Trustor will deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates executed by Trustor and by each of the lessees, in recordable form, certifying:

(a) that the assignment and the Leases are in full force;

(b) the date of each lessee's most recent payment of rent;

(c) that there are no defenses or offsets outstanding, or stating those claimed by Trustor or lessees under the assignment or the Leases; and

(d) any other information reasonably requested by Beneficiary.

8.7 Remedies.

In addition to any other remedies in this Deed of Trust, Beneficiary will have the following rights and remedies upon the occurrence of an Event of Default:

(a) To receive the Payments and any other amounts arising or accruing under the Leases or from the Property;

(b) To collect, sue for, settle, compromise, and give releases for the Payments and pursue any remedies for the enforcement of the Leases or Trustor's rights under the Leases; and

(c) To take possession of the Property, and hold, manage, lease, and operate it on any terms and for any period of time that Beneficiary may deem proper and, either with or without taking possession of the Property, in its own name,

make from time to time all alterations, renovations, repairs, or replacements that Beneficiary may deem proper.

8.8 Definitions.

The terms lessor and lessors as used in this Deed of Trust will include all owners, landlords, licensors, and other parties in a similar position with respect to the Leases. The terms lessee and lessees will include any tenants and licensees and any other parties in a similar position and will also include any guarantors of or other obligors under the Leases.

ARTICLE 9.
MISCELLANEOUS

9.1 Successor Trustee.

Beneficiary may remove Trustee or any successor trustee at any time and appoint a successor trustee by recording a written substitution in the county where the Property is located, or in any other manner permitted by law. Upon that appointment, all of the powers, rights, and authority of Trustee will immediately become vested in the successor.

9.2 Change of Law.

If any law is passed, after the date of this Deed of Trust, that deducts from the value of the Property, for the purposes of taxation, any lien on it, or changes in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured by mortgage or deed of trust (other than laws imposing taxes on income) or the manner of the collection of any taxes so as to affect adversely the rights of Beneficiary as holder of the Note and Beneficiary under this Deed of Trust, the Indebtedness will become due at Beneficiary's option, exercised by thirty (30) days' notice to Trustor unless Trustor, within that thirty (30) day period, if permitted by law, assumes the payment of any tax or other charge imposed on Beneficiary for the period remaining until full payment by Trustor of the Indebtedness.

9.3 No Waiver.

No waiver by Beneficiary of any default or breach by Trustor will be implied from any omission by Beneficiary to take action on account of that default if the default persists or is repeated. Also, no express waiver will affect any default other than the default in the waiver and the waiver will be operative only for the time and to the extent stated. Waivers of any covenant, term, or condition in this Deed of Trust will not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by Beneficiary for any act by Trustor requiring further consent or approval will not be deemed to waive or render unnecessary the consent or approval for any subsequent similar act.

9.4 Abandonment.

Subject to any chattel mortgages, security agreements, or other liens on title that may exist with the consent of Beneficiary, or any provided for in this Deed of Trust, all Personalty that upon foreclosure of the Property is owned by Trustor and is used in connection with the operation of the Property will be deemed at Beneficiary's option to have become on that date a part of the Property and abandoned to Beneficiary in its then condition.

9.5 Survival.

The covenants and agreements in this Deed of Trust will bind and inure to the benefit of Beneficiary and Trustor and their successors and assigns. It is agreed that Beneficiary may assign to or grant a participation in any one or more lenders, free from any right of counterclaim, recoupment, or setoff by Trustor, Beneficiary's rights and obligations in whole or in part under the Loan Documents. Nothing in this Article 11.6 is intended to limit other provisions in the Loan Documents that by their terms survive the repayment of the Indebtedness or the termination of any Loan Document.

9.6 Severability.

If any term, provision, covenant, or condition of this Deed of Trust or any application of it is held by a court of competent jurisdiction to be invalid, void, or unenforceable, in whole or in part, all terms, provisions, covenants, and conditions of this Deed of Trust and all applications of it not held invalid, void, or unenforceable will continue in full force and will not be affected, impaired, or invalidated.

9.7 References to Foreclosure.

References in this Deed of Trust to foreclosure and related phrases are references to the appropriate procedure in connection with Trustee's private power of sale, any judicial foreclosure proceeding, and any deed given in lieu of foreclosure.

9.8 Joinder of Foreclosure.

If Beneficiary holds any other or additional security for the payment of any Indebtedness or performance of any Obligation, its sale or foreclosure, on any default in the payment or performance, in Beneficiary's sole discretion, may be prior to, subsequent to, or joined or otherwise contemporaneous with any sale or foreclosure. In addition to the rights in this Deed of Trust specifically conferred, Beneficiary, at any time and from time to time, may exercise any right or remedy now or later given by law to beneficiaries under deeds of trust generally, or to the holders of any obligations of the kind secured.

9.9 Rights of Beneficiary and Trustee.

At any time and from time to time, without liability and without notice, and without releasing or otherwise affecting the liability of any person for payment of any Indebtedness,

(a) Beneficiary, at its sole discretion and only in writing, may extend the time for or release any Person now or later liable for payment of any Indebtedness, or accept or release additional security, or subordinate the lien or charge of this Deed of Trust, or

(b) Trustee, on written request of Beneficiary and presentation of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust for endorsement, may reconvey any part of the Property, consent to the making of any map or plat of it, join in granting any easement on it, or join in any agreement of extension or subordination.

On Beneficiary's written request and surrender of the Note, any additional notes secured by this Deed of Trust, and this Deed of Trust to Trustee for cancellation, and on payment to Trustee of its fees and expenses, Trustee will reconvey without warranty the then trust property. The recitals in any reconveyance will be conclusive proof of the truthfulness of them, and the grantee in any reconveyance may be described as the person legally entitled.

9.10 Copies.

Trustor will promptly give to Beneficiary copies of all

(a) notices of violation that Trustor receives from any governmental agency or authority; and

(b) notices of default that Trustor receives under any agreement relating to the borrowing of money by Trustor from any Person.

9.11 Subordination.

In addition to the subordination authorized in Section 4.1, at the option of Beneficiary, this Deed of Trust will become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to any insurance proceeds, damages, awards, or compensation resulting from damage to the Property or condemnation or exercise of power of eminent domain), to any contracts of sale or any leases of the Property on the execution by Beneficiary and recording of a unilateral declaration to that effect in the official records of the county and state where the Property is located. Beneficiary may require the issuance of any title insurance endorsements to the Title Policy in connection with any subordination that Beneficiary, in its judgment, determines are appropriate, and Trustor will be obligated to pay any cost or expense incurred in connection with the issuance.

9.12 No Merger.

So long as any of the Indebtedness remains unpaid or Beneficiary has any further obligation under the Loan Documents, unless Beneficiary otherwise consents in writing, the fee estate of Trustor in the Property or any part of it will not merge, by operation of law or otherwise, with any leasehold or other estate in the Property or any part of it, but will always be kept separate and distinct, regardless of the union of the fee estate and the leasehold or other estate in Trustor or any other Person.

9.13. Performance by Trustor.

Trustor will faithfully perform every covenant to be performed by Trustor under any lien or encumbrance, including, without limiting the generality of this Deed of Trust, mortgages, deeds of trust, leases, declarations or covenants, conditions and restrictions, and other agreements that affect the Property, in law or in equity, that Beneficiary reasonably believes may be prior and superior to or on a parity with the lien or charge of this Deed of Trust. A breach of

or a default under any lien or encumbrance that exists after any applicable grace period in the pertinent instrument has expired without that breach or default having been cured, will constitute an Event of Default under this Deed of Trust. If Trustor fails to do so, Beneficiary, without demand or notice and in its sole judgment, may do any things required by Trustor by any of the provisions in this Deed of Trust and incur and pay expenses in connection with that.

9.14 Personalty Security Instruments.

Trustor agrees that if Beneficiary at any time holds additional security for any obligations secured by this Deed of Trust, it may enforce the terms of it or otherwise realize on it, at its option, either before or concurrently or after a sale is made under this Deed of Trust, and may apply the proceeds on the Indebtedness secured without affecting the status or waiving any right to exhaust any other security, including the security under this Deed of Trust, and without waiving any breach or default or any right or power, whether exercised under this Deed of Trust or in any other security.

9.15 Suits to Protect Property.

Trustor agrees to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or any additional or other security for the obligations secured, the interest of Beneficiary or the rights, powers, or duties of Trustee, and to pay all costs and expenses, including, without limitation, cost of evidence of title and attorney fees, in any action or proceeding in which Beneficiary or Trustee may appear or be made a party, including, but not limited to, foreclosure or other proceeding commenced by those claiming a right to any part of the Property under subordinate liens, in any action to partition or condemn all or part of the Property, whether pursued to final judgment, and in any exercise of the power of sale in this Deed of Trust, whether the sale is actually consummated.

9.16 Further Advances.

On the request of Trustor or its permitted successors in ownership of the Property, Beneficiary may, at its option, at any time before full payment of the Indebtedness, make further advances to Trustor or the successors in ownership, with interest and late charges to be secured by this Deed of Trust. However, the amount of principal secured by this Deed of Trust and remaining unpaid will not at the time of and including any advance exceed the original principal sum secured. Also, if Beneficiary, at its option, makes a further advance or advances, Trustor or the successors in ownership agree to execute and deliver to Beneficiary a note, payable on or before the maturity of the Indebtedness secured and bearing any other terms that Beneficiary will require.

9.17 Waiver of Statute of Limitations.

The pleading of any statute of limitations as a defense to any obligations secured by this Deed of Trust is waived, to the fullest extent permissible by law.

9.18 Charges for Statements.

Trustor agrees to pay Beneficiary's reasonable charge, to the maximum amount permitted by law, for any statement regarding the obligations secured by this Deed of Trust requested by Trustor or on its behalf.

9.19 Entire Agreement.

This Deed of Trust and the other Loan Documents set forth the entire understanding between Trustor and Beneficiary and they will not be amended except by a written instrument duly executed by each of Trustor and Beneficiary. Any previous representations, warranties, agreements, and understandings among the parties regarding the subject matter of the Loan or the Loan Documents, whether written or oral, are superseded by this Deed of Trust and the other Loan Documents.

9.20 Incorporation.

All terms of the Loan Documents are incorporated in this Deed of Trust by this reference. All persons who may have or acquire an interest in the Property will be deemed to have notice of the terms of the Loan Documents and to have notice, if provided for, that the rate of interest on one or more Obligations may vary from time to time.

9.21. Waiver of Marshaling Rights.

Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property, waives all rights to have the Property or any other property that is now or later may be security for any Obligation ("Other Property") marshaled on any foreclosure of this Deed of Trust or on a foreclosure of any other security for any of the Obligations. Beneficiary will have the right to sell, and any court in which foreclosure

proceedings may be brought will have the right to order a sale of, the Property and any of the Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

9.22 Acceptance of Trust; Powers and Duties of Trustee.

Trustee accepts this trust when this Deed of Trust is recorded. From time to time on written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or the performance of any obligations, Trustee may, without liability and without notice:

(a) reconvey all or any part of the Property;

(b) consent to the making of any map or plat; and

(c) join in any grant of easement, any declaration of covenants, conditions, and restrictions, any extension agreement, or any agreement subordinating the lien or charge of this Deed of Trust.

Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust and the enforcement of the rights and remedies available, and may obtain orders or decrees directing, confirming, or approving acts in the execution of the trust and the enforcement of the remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding, including, without limitation, actions in which Trustor, Beneficiary, or Trustee will be a party, unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee will not be obligated to perform any act required of it under this Deed of Trust unless the performance of the act is requested in writing and Trustee is reasonably indemnified and held harmless against any loss, cost, liability, or expense.

9.23 Releases, Extensions, Modifications, and Additional Security.

Without notice to or the consent, approval, or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Obligation; take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Obligation; or accept additional security or release the Property or other security for any Obligation. None of these actions will release or reduce the personal liability of any of the Interested Parties, or release or impair the lien of this Deed of Trust, or the priority of it on the Property. However, no action taken or agreement made by Beneficiary to extend the maturity or otherwise alter the terms or increase the amount of any Obligation will be binding on Trustor without Trustor's consent.

9.24 Reconveyance.

Upon the payment and performance of all Obligations, including, without limitation, Beneficiary's receipt of all sums owing and outstanding under the Note, Beneficiary will deliver to Trustee a written request for reconveyance, and will surrender to Trustee for cancellation this Deed of Trust and any note or instrument evidencing the Obligations. However, Beneficiary will have no obligation to deliver the written request and documents until Beneficiary has been paid by Trustor, in immediately available funds, all escrow, closing, and recording costs, the costs of preparing and issuing the reconveyance, and any trustee's or reconveyance fees. On Trustee's receipt of the written request by Beneficiary and the documents, Trustee will reconvey, without warranty, the Property or that portion then held. To the extent permitted by law, the reconveyance may describe the grantee as the person or persons legally entitled and the recitals of any matters or facts in any reconveyance will be conclusive proof of the truthfulness of them. Neither Beneficiary nor Trustee will have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last reconveyance will operate as a reassignment of all future rents, issues, and profits of the Property to the person legally entitled.

9.25 Obligations of Trustor, Joint and Several.

If more than one person has executed this Deed of Trust as Trustor, the obligations of all those persons will be joint and several.

9.26 Rules Of Construction.

When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural.

9.27 Successors in Interest.

The terms, covenants, and conditions in this Deed of Trust will be binding on and inure to the benefit of the heirs, successors, and assigns of the parties.

9.28 No Offset.

Trustor will pay to Beneficiary all amounts owing under the Note, this Deed of Trust, or any of the other Obligations without deduction, offset, or counterclaim of any kind.

9. 29 Governing Law.

The parties expressly agree that this Deed of Trust (including, without limitation, all questions regarding permissive rates of interest) will be governed by or construed in accordance with the laws of California and federal law, where applicable.

In witness whereof, Trustor has executed this Deed of Trust as of the day and year first above written.

Resident Owner Parks, Inc., a California non profit public benefit corporation:

By: _____
Maurice A. Priest, President

ACKNOWLEDGMENT

State of California
County of Sacramento

On March 8, 2007 before me, Ruth S. Sias,
(here insert name and title of the officer)

personally appeared Maurice A. Priest

_____

_____,

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

WITNESS my hand and official seal.

Signature _____

RUTH S. SIAS
COMM. #1565999
Notary Public - California
Sacramento County
My Comm. Expires Apr. 29, 2009
NRO1 NRO1

(Seal)

Exhibit A

LEGAL DESCRIPTION

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

Parcel 1, as shown on Parcel Map No.632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

REQUEST FOR FULL RECONVEYANCE

TO _____, TRUSTEE Dated: _____, 200__

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

_____

_____

_____

(Signature)

_____

DO NOT LOSE OR DESTROY THE DEED OF TRUST AND NOTE WHICH IT SECURES.
BOTH MUST BE DELIVERED TO THE TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.

NANCY DIAMOND

Attorney at Law

822 G Street, Suite 3
Arcata, California 95521
Telephone: 707/826-8540
Facsimile: 707/826-8541
E-mail: ndiamond@humboldt1.com

March 5, 2007

Fidelity National Title Company
Attn: Marja Nickel
8950 Cal Center Drive, Bld 3, Suite 100
Sacramento, CA 95826

Re: City of Arcata, Arcata Community Development Agency
Escrow Closing Instructions for Sandpiper Mobile Home Park
APN 503-224-046-000 (Property)
Warren Clark Morton and Susan Elizabeth Morton (Seller)
Resident Owned Parks, Inc. (Buyer)
Purchase Price: $818,000
Escrow No. 06-5003463-MN

Dear Ms. Nickel:

The City of Arcata ("City") and Arcata Community Development Agency ("Agency") are pleased to assist in the financing of the above-referenced transaction. The following constitutes escrow instructions for the City and the Agency for this transaction. Please sign and return an original of these instructions to the City, evidencing your assent and ability to comply with the terms therein.

A. The Transaction.

This transaction concerns the acquisition of the above-referenced 21-unit mobile home rental park, known as the Sandpiper Mobile Home Park. The City and Agency's participation is through acquisition, operation and rehabilitation financing to the Buyer in the total amount of $318,400, of which $279,000 is from the City and $39,400 is from the Agency. This financing will be evidenced by a promissory note to be secured by a Deed of Trust against the property. This Deed of Trust will be secured subordinate to a Deed of Trust securing the loan from the Sellers in the amount of $650,000.

In order to ensure long-term affordability of the property, and as a condition of receiving financial assistance from the City and Agency, the Buyer will execute a Regulatory Agreement. This Agreement will be recorded on title in advance of the Seller's first Deed of Trust.

The City and Agency financing amount recited above combines acquisition assistance together with rehabilitation assistance in the amount of $50,000. Although the total amount recited above will be secured by Deed of Trust, the City will separately disburse the $50,000 in

COPY

rehabilitation funds directly to the Buyer.[1] Additionally, the City will retain 10% of the developer fee in the amount of $4,500 to be disbursed to Buyer in the future after complete and satisfactory rehabilitation. Finally, the City will also retain $2,370 to be disbursed directly to Buyer on or before January 15, 2008. This $2,370 disbursal is subject to the City's receipt from Buyer no later than December 15, 2007 of a request for disbursal of these funds. This disbursement will be restricted so that Buyer will be required to place the $2,370 directly into a Replacement Reserve account described in the Regulatory Agreement.

Accordingly, the amount of funds the City hereby deposits into escrow to advance this transaction will be $261,530. As a condition of receiving these funds, Buyer is required to deposit $32,030 directly into an Operating Reserve account, and $4,800 into a Replacement Reserve account. These accounts are described in the Regulatory Agreement. Buyer may retain $40,500 as a developer fee.

B. Seller's Deposits Into Escrow.

In connection with the above transaction, the Seller will separately deposit into escrow the following documents and funds:

1. An original Grant Deed duly executed by Seller.
2. An original Installment Promissory Note evidencing debt to Seller in the amount of $650,000, to be executed by Buyer. This Installment Note shall be prepared by you and shall include the restriction that prepayment of the debt, in whole or part, is not permitted without the prior written authorization of the City. Failure to include this restriction on the Installment Note shall nullify this transaction.
3. An original Short Form Deed of Trust and Assignment of Rents securing Seller's debt to be executed by Buyer, which shall be prepared by you.

C. City's Deposits Into Escrow.

In connection with the above transaction, the City and Agency enclose and deposit into escrow the following loan documents and funds:

1. An original Regulatory Agreement to be executed by Buyer.
2. An original Promissory Note in the amount of $318,400 to be executed by the Buyer.
3. An original Deed of Trust to secure the Promissory Note, to be executed by the Buyer.

1 The City will take as a first draw from the rehabilitation funds prior to disbursing these funds to buyer, $900.00 as payment for the transfer of water accounts.

4. Funds in the amount of $261,530 as acquisition and operation financing and including funds in the amount of $16,200 for the following fees, charges and costs:
   - Up to $7,700 for taxes
   - Up to $2,800 for insurance
   - Up to $5,700 for title and recording

D. Document Finalization and/or Execution.

The following blanks are to be filled in by you upon Buyer's execution of the identified document. Please attach correct legal descriptions where necessary for recording. No other alterations or erasures of any of these documents are permitted without the advance written approval of the City of Arcata.

1. City's Regulatory Agreement: 1) The date of the Agreement in the preamble.
2. Promissory Note secured by Deed of Trust: 1) The date of the Agreement at the top of the first page.
3. Deed of Trust, Security Agreement and Fixture Filing With the Assignment of Rents and Agreements: 1) The date of execution in the preamble on the first page.

E. Recording Instructions.

The following are your recording instructions:

1. Please record the Regulatory Agreement after recordation of the Grant Deed.
2. Please record the Seller's Deed of Trust securing $650,000 in financing in advance of the City's Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents and Agreements, and after the Regulatory Agreement.
3. Do not record any documents until the City has given final approval as to form of the Seller's Installment Note.
4. Do not record any City documents if you have knowledge of a concurrent or subsequent escrow to be opened or closed upon completion of this escrow, which will transfer the subject property.
5. Do not close and do not record any City documents if there has been any change in Buyer's Escrow Instructions, if any, without our written approval.

Our commitment to make this loan in accordance with the terms hereby set forth expires in 30 days. If for any reason this escrow does not close by 5:00 p.m. on April 4, 2007, return all documents and funds, if any, together with these Instructions.

F. Close of Escrow.

At the Close of Escrow please do the following:

1. Advance the City's acquisition and operation loan proceeds as follows: $168,000 to Seller for acquisition, $32,030 to Buyer to be placed in a restricted Operating Reserve Account, $4,800 to Buyer to be placed in a restricted Replacement Reserve, and the balance, $40,500, to Buyer as a developer fee.
2. Pay associated fees, charges and costs as described in section B(5) above. Any additional costs shall be paid by the Buyer.
3. Return to the City excess funds deposited by the City, if any.

G. Distribution of Documents.

Please furnish the City of Arcata all of the following:

1. The original City Promissory Note.
2. Certified copies of any and all executed escrow instructions, amendments, and the HUD Settlement Statement.
3. Conformed copies of all recorded documents within 72 hours of recording.
4. The address to which all documents are to be sent is as follows:

City of Arcata
Finance Department
736 F Street
Arcata, CA 95521

Please contact Larry Oetker at 825-2138 or Nancy Diamond, City Attorney, at 826-8540, if you have any questions. Please acknowledge receipt of all enclosures and your complete understanding of our Instructions and conditions by signing and returning a copy of these Instructions at your soonest convenience. Thank you for your attention.

Very truly yours,
Nancy Diamond
Nancy Diamond
City Attorney, City of Arcata

Read and Agreed to by

FIDELITY NATIONAL TITLE COMPANY
(Signature on next page)

By_____
Marja Nickel, Escrow Officer

Date: _____

ND/met
Enclosures

c: Michael Hackett, City Manager
Janet Luzzi, Finance Director
Larry Oetker, Dep. Dir. Redevelopment
Maurice Priest

sandpiper mobile home park\escrow instructions.030207

Original 1 of 2

LOAN AGREEMENT

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
(SANDPIPER MOBILE HOME PARK)

an agreement ("Loan Agreement") is entered into this 21st day of November, 2006, by and n Resident Owned Parks, Inc, a California nonprofit public benefit corporation ower"), and the City of Arcata ("City").

Recitals

rrower has proposed to acquire, rehabilitate, and operate a 21-unit mobile home rental ommonly known as the Sandpiper Mobile Home Park, of which 20 units of manufactured ental sites and 1 wood frame apartment (the "Development"), and the City proposes to ally assist Borrower in said acquisition, rehabilitation and operation in order to satisfy its ible housing goals and policies.

e Sand Piper Mobile Home Park holds Permit # 12-0041-MP issued by the California ment of Housing and Community Development .

e City will utilize Home Investment Partnership Program (HOME) Program Income Funds have been generated from the principal, interest and share of equity from other HOME loans to fund this loan.

e HOME Program Income funds are regulated under the City's HOME Program Income Plan which was Amended on December 18, 2002 in accordance with 42 USC 12741 et CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code ulations, Sections 8200 through 8220 (together, the "HOME Regulations").

e City has completed an underwriting analysis and submitted the required "Set-up" entation to the State Department of Housing and Community Development (HCD) in ance with the HOME Regulations and the commitment of said HOME Program Income is contingent on receiving written authorization from HCD to expend the HOME Program Funds on the Sandpiper Mobile Home Park Acquisition and Rehabilitation affordable g project, located at 115 South G Street (APN 503-224-046), Arcata California erty"), the project to be owned and operated by Borrower.

e Arcata Community Development Agency ("Agency") has funding under its 20% housing le funds to assist with the Rehabilitation of moderate income units.

d HOME Program Income Funds will provide up to $279,000 and the Agency will provide 25,000 for the acquisition and rehabilitation of 20 units of Manufactured Home rental sites vood frame apartment (21 units total) of which ten (10) will be occupied by moderate households; seven (7) by low income households and four (4) by very low income olds.

e City and Borrower have entered into a Regulatory Agreement of even date herewith by he City and Agency have placed rent and occupancy restrictions on all 21 units at the per Mobile Home Park.

LOAN AGREEMENT

THE CITY OF ARCATA
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
LOAN NUMBER 06-HOME PI-MFP-001
(SANDPIPER MOBILE HOME PARK)

This loan agreement ("Loan Agreement") is entered into this ___ day of _____, 2006, by and between Resident Owned Parks, Inc, a California nonprofit public benefit corporation ("Borrower"), and the City of Arcata ("City").

Recitals

A. Borrower has proposed to acquire, rehabilitate, and operate a 21-unit mobile home rental park, commonly known as the Sandpiper Mobile Home Park, of which 20 units of manufactured home rental sites and 1 wood frame apartment (the "Development"), and the City proposes to financially assist Borrower in said acquisition, rehabilitation and operation in order to satisfy its affordable housing goals and policies.

B. The Sand Piper Mobile Home Park holds Permit # 12-0041-MP issued by the California Department of Housing and Community Development .

C. The City will utilize Home Investment Partnership Program (HOME) Program Income Funds which have been generated from the principal, interest and share of equity from other HOME funded loans to fund this loan.

D. The HOME Program Income funds are regulated under the City's HOME Program Income Reuse Plan which was Amended on December 18, 2002 in accordance with 42 USC 12741 et seq., 24 CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code of Regulations, Sections 8200 through 8220 (together, the "HOME Regulations").

E. The City has completed an underwriting analysis and submitted the required "Set-up" documentation to the State Department of Housing and Community Development (HCD) in accordance with the HOME Regulations and the commitment of said HOME Program Income Funds is contingent on receiving written authorization from HCD to expend the HOME Program Income Funds on the Sandpiper Mobile Home Park Acquisition and Rehabilitation affordable housing project, located at 115 South G Street (APN 503-224-046), Arcata California ("Property"), the project to be owned and operated by Borrower.

F. The Arcata Community Development Agency ("Agency") has funding under its 20% housing set-aside funds to assist with the Rehabilitation of moderate income units.

G. Said HOME Program Income Funds will provide up to $279,000 and the Agency will provide up to $25,000 for the acquisition and rehabilitation of 20 units of Manufactured Home rental sites and 1 wood frame apartment (21 units total) of which ten (10) will be occupied by moderate income households; seven (7) by low income households and four (4) by very low income households.

H. The City and Borrower have entered into a Regulatory Agreement of even date herewith by which the City and Agency have placed rent and occupancy restrictions on all 21 units at the Sandpiper Mobile Home Park.

I. The Loan is to be evidenced by a promissory note ("Note") of even date herewith executed by Borrower in favor of the City, repayment of which is to be secured by a deed of trust with assignment of rents ("Deed of Trust") executed by Borrower in trust for the benefit of the City, and any further security that the City now or from time to time may require;

J. The terms of the HOME Program Income "Set-up documents," Regulatory Agreement, Note and Deed of Trust, and all exhibits and attachments thereto, are fully incorporated herein and made a material part of this Loan Agreement.

NOW, THEREFORE, in consideration of the mutual promises conditions and terms recited herein, the parties agree as follows:

1. Defined Terms. All capitalized terms not otherwise defined in this Loan Agreement shall have the meaning set forth in the Regulatory Agreement, Note, or Deed of Trust. In addition, as used in the Loan Documents, the following terms will have the following meanings:

"Completion of the Improvements" means that, in Lender's sole judgment that the Improvements will have been constructed, completed, equipped, and furnished in a good and proper manner in accordance with all permit conditions and conditions of approval for the Development, and that all statutory lien periods will have expired.

"Fixtures" means all fixtures located on or within the Improvements or now or later installed in or used in connection with any of the Improvements, including, but not limited to, all partitions, screens, awnings, motors, engines, boilers, furnaces, pipes, plumbing, elevators, cleaning and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, heating, ventilating, air conditioning and air cooling equipment, built-in refrigerators, and gas and electric machinery, appurtenances, and equipment, whether permanently affixed to the Property or the Improvements.

"Improvements" means all rehabilitation construction on the Property, and all improvements, additions, and replacements, and other buildings and improvements, at any time later constructed or placed on the Property.

"Loan Documents" means the Note, this Loan Agreement, the Deed of Trust and the Regulatory Agreement.

"Manufactured Home" means any type of non motorized manufactured housing unit (excluding recreational vehicles) that was built after 1976 that meets the definition in 24 CFR 3280 and is connected to permanent electric, water, sewer, and natural gas utility hook-ups.

"Notice of Completion" means the issuance of notice by the City of Arcata of Completion of Improvements.

"Plans and Specifications" means the final set of architectural, structural, mechanical, electrical, grading, sewer, water, street, and utility plans and specifications for the Improvements, including all supplements, amendments, and modifications.

"Property" means the real property owned by Borrower commonly called Sandpiper Mobile Home Park, which is the subject of the Development, more particularly described in the "Exhibit A" attachment to the Regulatory Agreement.

"Potential Default" means an event that would constitute an Event of Default, as defined in the any of the Loan Documents, but for any requirement of notice to be given or period of grace or time to elapse.

2. Construction And Completion Of Improvements.

a. Construction. Loan funds shall be advanced and used only in accordance with those approved uses as set out in the Sources and Uses of Funds Schedule attached hereto as Exhibit A. Borrower shall diligently proceed with designing, permitting, and constructing the Improvements outlined in Exhibit D. This construction project shall comply with all applicable procurement, prevailing wage, and equal opportunity requirements as required by the State HOME Program and Redevelopment Law. All Improvements shall be completed within one year from the date of this Agreement. The City shall retain 10% ($4,500) of the Developer's Fee as per Section 3 of this Agreement.

b. Operation and Management. Borrower shall operate and manage the Development in accordance with the requirements set forth in the Loan Documents and the Sand Piper Mobile Home Park Construction and Operational Calculations, attached hereto as Exhibit B. Borrower shall maintain hazard and liability insurance as required in Section 15 of the Regulatory Agreement, and in such amounts and for such periods as set forth in Exhibit C, attached hereto.

c. Protection Against Lien Claims. Borrower agrees to pay and discharge promptly and fully all claims for labor done and materials and services furnished in connection with the construction of the Improvements, and to take all reasonable steps to forestall the assertion of claims of lien against the Property or any part of it.

d. No Liens. Borrower will not allow commencement of construction or delivery of materials without the City's prior written consent until the City informs Borrower in writing that the City has recorded the Deed of Trust.

3. Loan Disbursement Procedures.

a. Gap Financing. Borrower acknowledges that the Loan is intended as gap financing to be used only after all other sources of financing have been exhausted in accordance with the Sources and Uses Schedule attached hereto as Exhibit A. The City and Agency will Loan only up to the amount actually needed by Borrower to acquire the Property, Three Hundred Four Thousand Dollars ($304,000) total, after exhausting other financing sources as identified in the Sources and Uses Schedule.

b. Conditions Precedent To Loan Disbursement. All of the following conditions must be satisfied prior to the City's disbursement of any Advances or Loan funds:

1) Borrower shall exhaust all other acquisition funding sources, as identified in the Sources and Uses Schedule, attached as Exhibit A.

2) Borrower shall have satisfied all requirements of the National Environmental Policy Act, and shall have completed the Environmental Assessment (EA) so required.

3) Borrower shall have submitted site improvement plans, bid documents and cost estimates to the City for approval as outlined in Exhibit D.

4) Borrower shall have received all applicable land use and building permits from either the City of Arcata and/or HCD as may be required to construct the improvements outlined in Exhibit D.

5) Borrower shall have submitted and the City shall have approved a Management Plan as specified in Section 7 of the Regulatory Agreement.

6) Borrower shall have contracted with and the City shall have approved a management agent as specified in Section 14 of the Regulatory Agreement.

7) Borrower shall have submitted and the City shall have approved a Security Plan as specified in Section 7(j) of the Regulatory Agreement.

8) Borrower shall have complied with all HCD and Home Program grant requirements.

9) Borrower shall have provided the City with a copy of its HCD Permit # 12-0041-MP.

No Loan funds shall be advanced in the event of Default or Potential Default by Borrower, as determined solely by the City.

c. Disbursement. The City will disburse Loan Funds upon the written request of Borrower directly upon the written request of Borrower, and consistent with Sections 7(d) and 7(e).

d. Retention of Rehabilitation Loan Funds, Final Disbursement. The City shall retain ten percent (10%) of the total Rehabilitation Loan Funds requested by Borrower from each disbursement ("Retainage") until the following has occurred:

1) Final lien waivers have been obtained from the general contractor, each of the subcontractors and material suppliers, and substantially all of the subcontractors and material suppliers under the subcontractors and material suppliers at any level, or Borrower will have furnished evidence satisfactory to the City that the general contractor and subcontractors and material suppliers and subcontractors and submaterial suppliers have been paid in full.

e. Disbursement of Developer Fee. The City shall retain ten percent ($4,500) of the Developer Fee, as identified in Exhibit A, Sources and Uses, until Borrower receives a Notice of Completion for the Improvements. If Borrower fails to receive a Notice of Completion within one year from the date escrow closes and Borrower acquires fee title to the Property, a prorated percentage of the Developer Fee shall be forfeited to the City.

f. Changes to Sources and Uses. Changes to the Sources and Uses Schedule will not be permitted except as authorized by the HCD, HOME Program guidelines, or the City, and such changes must be consistent with Section 3(a) of this Loan Agreement, "Gap Financing".

4. Interest, Repayment.

a. Interest. All Loan advances shall accrue simple interest from the date of disbursement at the rate of three percent (3%) per year.

b. Payments. The principal of the Loan shall be amortized over a 30 year term beginning on the date of the Notice of Completion. The first payment of principal and interest shall be made no later than April 15 following issuance of Notice of Completion or April 15, 2008, whichever is sooner. Payments shall be made from Residual Receipts in accordance with Section 21 of the Regulatory Agreement and shall be applied first to accrued interest and then to principal on the Loan. The final payment of this Note, which will be in an amount equal to the entire outstanding principal balance together with all accrued and unpaid interest will be due on the Maturity Date, as that term is defined in the Note.

5. General Conditions.

Borrower agrees to abide by all conditions fully set forth below:

a. Borrower agrees that any acquisition costs, unless otherwise specified, exceeding the $293,237 in HOME Program Income funds provided by City pursuant to this Agreement will be the responsibility of Borrower. Borrower further agrees to pay maintenance and operating costs for the Development.

b. Borrower has requested the financial support of City that is provided for in this Agreement in order to enable Borrower to provide affordable housing services. City shall have no relationship whatsoever with the services provided, except the provision of financial support, monitoring, and the receipt of such reports as are provided for herein. To the extent, if at all, that any relationship to such services on the part of City may be claimed or found to exist, Borrower shall be an independent contractor only.

c. Borrower shall obtain any and all federal, state, and local permits and licenses required to execute the Development as described in this Agreement. Borrower further agrees to abide by all applicable federal, state, and local codes, regulations, statutes, ordinances, and laws.

d. Borrower will provide City with a copy of move-in certifications for the Assisted Units upon tenant certification. Additional copies of annual tenant certifications and copies of new move in certifications will be sent to City as they are completed. Borrower will provide City with client usage records on an annual basis during the period of this Agreement. These records will include (where applicable), but not be limited to, the following data:

1) Total clients served;
2) Racial breakdown of clients served including Black, White, Hispanic, American Indian/Alaskan and Asian/Pacific Islander;
3) Number and percentage of Low and Very Low Income clients as defined by HUD HOME Program Income Guidelines;
4) Number of handicapped clients served;
5) Number of senior citizens served;
6) Number of female head-of-households served;
7) Name of each head of household served;
8) Number of persons in each household served; and

9) Rent charged each household served.

e. Borrower will provide the City with all final documents required of Borrower as part of the tax credit process, if applicable. Borrower will additionally provide the City with copies of all monitoring and audit documents and correspondence required as part of the tax credit process. Borrower shall copy the City on all future correspondence concerning the tax credit and shall promptly forward copies of received correspondence of or concerning the tax credit to the City.

f. Borrower will not lease any portion of the HOME housing units to other than HOME-eligible tenants, as defined in the HOME Regulations (24 CFR 92). Any lessee, sublessee, or assignee of a HOME unit must meet HOME Program requirements and serve eligible low-income residents.

g. If the affordable housing units, or any portion thereof, are subleased without the prior written approval of City or through foreclosure, sale, or other circumstances Borrower loses legal possession of the Development, Borrower shall, upon the request of City, repay to City, the remaining balance of the Loan that Borrower received from City hereunder. City shall require reasonable assurances of security for such repayments in the form of a deed of trust for such Property pursuant to 24 CFR 92.252. The Deed of Trust shall be subordinated to both permanent lenders' deeds of trust securing each permanent loan. If Borrower chooses to sell, transfer or otherwise convey the subject property, the term of affordability will remain with the Assisted Units pursuant to deed restrictions placed on the Development.

h. Borrower shall not allow the Development to be attached in any manner, including any liens or other encumbrances or any mortgages or other security interest during the period of affordability without the prior written consent of City. Borrower has the consent of City to secure mortgages and other financing with other permanent mortgage lenders, state tax credit allocating agencies (if any), and the limited partners as the permanent financiers of the Development.

i. Borrower may not assign or delegate any of its rights, interests or duties under this Agreement without the prior written consent of City. Any such assignment of delegation made without the required consent shall be voidable by City, and may, at the option of City, result in the forfeiture of all financial support provided herein.

j. Borrower shall allow duly authorized representatives of City to conduct such occasional reviews, audits and on-site monitoring of the Development as City deems to be appropriate in order to determine:

1) Whether the objectives of the Development are being achieved;
2) Whether the Development is being conducted in an efficient and effective manner;
3) Whether management control systems and internal procedures have been established to meet the objectives of the Development;
4) Whether the financial operations of the Development are being conducted properly;
5) Whether the periodic reports to City contain accurate and reliable information; and

6) Whether all of the activities of the Development are conducted in compliance with the provisions of Federal and State laws and regulations and this Agreement.

Visits by City to the Development shall be announced to Borrower in advance of those visits and shall occur during normal operating hours. The Representatives of City may request, and, if such a request is made, shall be granted, access to all of the records of Borrower which relate to the Development. The representatives of City may, from time to time, interview recipients of the housing services of the Development who volunteer to be interviewed.

k. At any time during normal business hours, Borrower's records with respect to the Development shall be made available for audit, examination and review by City, the Attorney General's Office, contracted independent auditors, HUD, the Comptroller General of the United States, or any combination thereof. The City and such agencies acknowledge that financial and business records for Sandpiper Park are maintained by Resident Owned Parks, Inc., at its corporate office in Sacramento. Only basic applications, rental agreements, leases, and park rules and regulations are maintained in the tenancy files on site with the resident park manager of Sandpiper Park. Upon fourteen (14) days advance notice, Borrower shall have such financial and business records available for the City to review in Arcata.

l. Borrower will protect, defend, indemnify, and save and hold harmless City from and against any and all liability, damages, demands, claims, suits, liens, and judgments of whatever nature including but not limited to claims for contribution or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. Borrower obligation to protect, defend, indemnify, and save and hold harmless as set forth in this paragraph shall include any and all attorneys' fees incurred by City in the defense of handling of said suits, demands, judgments, liens and claims and all attorneys fees and investigation expenses incurred by City in enforcing or obtaining compliance with the provisions of the Agreement.

m. Borrower will not use any funds or resources which are supplied by City in litigation against any person, natural or otherwise, or in its own defense in any such litigation and also agrees to notify City of any legal action which is filed by or against it.

n. Borrower agrees that no officer or employee of Borrower may seek or accept any gifts, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in that position to depart from the faithful and impartial discharge of the duties of that position.

o. Borrower agrees that no officer or employee of Borrower may use his or her position to secure or grant any unwarranted privilege, preference, exemption or advantage for himself or herself, any member of his or her household, any business entity in which he or she has a financial interest or any other person.

p. Borrower agrees that no officer or employee of Borrower may suppress any report or other document because it might tend to affect unfavorably his or her private financial interests.

q. Borrower shall keep and maintain in effect at all times any and all licenses, permits, notices and certifications which may be required by any county ordinance or state or federal statute.

r. Borrower shall be bound by all county ordinances and state and federal statutes, conditions, regulations and assurances which are applicable to the entire HOME Program or are required by HUD, City, or any combination thereof.

s. Any material breach of this section may, after 30-day notice to Borrower and Borrower's administrative limited partner and a failure thereby to cure such material breach, is an event of Default and may, in the discretion of City, result in forfeiture of all HOME Program funds received by Borrower pursuant to this Agreement, or any part thereof.

t. An audited cost certification will be submitted to City after completion of the Development.

6. Federal General Conditions.

a. Borrower shall comply with the following laws and directives:

1) Title VIII of the Civil Rights Act of 1968, Public Law 90-284
2) Section 109 of the Housing and Community Development Act of 1974.
3) Title VI of the Civil Rights Act of 1974, Public Law 99-352, and the regulations of HUD with respect thereto, including 24 CFR, Parts 1 and 2.
4) The Fair Housing Act, as amended.
5) Executive Order 11063, as amended.
6) The Age Discrimination Act of 1975.
7) Section 504 of the Rehabilitation Act of 1973.
8) Executive Order 11246, as amended, and the regulations which are issued pursuant thereto.
9) The Fair Labor Standards Act.
10) Section 202(a) of the Flood Disaster Protection Act of 1973.
11) Sections 302 and 401 (b) of the Lead-Based Paint Poisoning Prevention Act and implementing regulations in 24 CFR, Part 35.

b. No officer, employee or agent of City shall have any interest, direct or indirect, financial or otherwise, in any contract or subcontract or the proceeds thereof, for any of the work to be performed pursuant to the Development during the period of service of such officer, employee or agent, for one year after dismissal.

c. None of the personnel employed in the administration of the Development shall be in any way or to any extent engaged in the conduct of political activities in contravention of Chapter 15 Title 5, U.S. Code.

d. None of the HOME Program funds to be paid under this Agreement shall be used for any partisan political activity, or to support or defeat legislation pending before Congress.

e. Borrower shall carry out its activities in compliance with all Federal laws and regulations described in 24 CFR Part 92, which are applicable to Federal Fiscal Year

HOME Program grants, except that Borrower will not assume City's environmental responsibilities described in 24 CFR 92.352, nor the intergovernmental review process described in 24 CFR 92.359.

f. Borrower shall maintain records in accordance with 24 CFR 92 508.

g. Borrower in its discretion, may request such other and further information, as from time to time required to ensure compliance with the mandates of the above listed Executive Orders.

h. For a period of fifty-five (55) years (the "Period of Affordability), or transfer of title, whichever is later, Borrower agrees to maintain the residential units of the Development as "affordable housing" or transfer of title whichever is later.

i. Borrower agrees to maintain the Development in compliance with Housing Quality Standards established by HUD for the Section 8 Program, and local housing code requirements for the duration of this Agreement.

j. Borrower agrees that the duration this Agreement is in effect is for the Period of Affordability established in paragraph I of this section, commencing from the initial date of payment of HOME funds, pursuant to 24 CFR 92.252.

k. Borrower agrees that, for the duration of this Agreement, the Development will be operated in compliance with HOME Regulations, specifically those contained in 24 CFR 92.250-92.258, Subpart F.

l. All leases with tenants living in Assisted Units shall be made for not less than six months, unless a shorter term is mutually agreed upon between Borrower and tenant. All such leases must comply with the requirements set forth in 24 CFR 92.253.

m. Borrower agrees to recertify tenant HOME Program eligibility at least annually as required by HUD regulations.

n. Borrower agrees that maximum rents charged shall not exceed those calculated per HOME Regulations, and that Borrower will supply tenants with written notice at least 30 days before implementing any rent increase.

7. Financial Management.

a. Borrower agrees that all costs of the Development shall be recorded in accordance with generally accepted accounting principles, and shall be supported by checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges, and that all checks, payrolls, time records, invoices, contracts, vouchers, orders or other accounting documents which pertain, in whole or in part, to the Development shall be thoroughly identified and readily accessible to City. The City acknowledges that financial and business records for Sandpiper Park are maintained by Resident Owned Parks, Inc., at its corporate office in Sacramento. Only basic applications, rental agreements, leases, and park rules and regulations are maintained in the tenancy files on site with the resident park manager of Sandpiper Park. Upon fourteen (14) days advance notice, Borrower shall have such financial and business records available for the City to review in Arcata.

b. Borrower agrees that excerpts or transcripts of all checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents related to or arguably related to the Development will be provided upon request to City.

8. Modification Or Revocation Of Agreement.

a. City will amend or otherwise revise this Agreement should such modification be required by HUD or any applicable Federal statutes or regulations, and Borrower shall approve any such regulated changes provided such changes do not change the economic terms described herein or expand Borrower's liability hereunder.

b. In the event that any of the HOME Program funds for any reason are terminated or withheld from City or otherwise not forthcoming, City may revoke this Agreement without penalty or damages to the extent of any such shortfall.

c. This Agreement may only be modified by a written amendment signed by the parties, or as otherwise set forth in the terms of the Agreement.

9. Miscellaneous Provisions.

a. Assignment of City Rights. The City retains the right at its sole discretion to assign all or part of its rights under this Agreement for the purpose of ensuring compliance and enforcement of Borrower's duties and obligations hereunder. In addition, the City may designate an agent to act on its behalf in monitoring compliance and enforcing the provisions hereof.

b. Amendment. This Agreement shall not be altered or amended except in writing, executed between or among all the parties.

c. Partial Invalidity. 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.

d. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in the office of interest, and assigns, provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior written approval of the City.

e. Hold Harmless. Borrower and its successor in interest agree to indemnify, defend, and hold harmless the City and its respective agents, employees and officers from any and all claims, losses, liabilities or causes of action (including reasonable attorney's fees) arising from or in connection with Borrower's management, maintenance or operation of the Development.

f. 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 thereto or default hereunder.

g. 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 the intent of this Agreement.

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

i. Attorneys' Fees. The prevailing party in any action to enforce this Agreement, including the residents of Assisted Units, shall be entitled to reasonable attorneys' fees as determined by the tier of fact in that forum.

j. Contract Administration. The City shall maintain authority over this Agreement through the City Manager or his designee. The City Manager shall have authority to issue interpretations, waivers, amendments, relating to this Agreement that do not change the material terms of the Agreement. All other waivers or amendments shall require the written consent of the City Council. Approval by the City as required in this Agreement shall be approval by the City Manager, unless specifically stated otherwise.

k. Borrowers' Warranties and Representations. The undersigned represent that Borrower is a California nonprofit public benefit corporation. The undersigned represents that he has been duly authorized by Borrower and has the capacity to enter into the within Regulatory Agreement, and that the obligations entered into herein shall be binding on Borrower.

l. Notices. All notices to the City or the Borrowers shall be given in the manner and at the addresses set forth in the Regulatory Agreement, or to such addresses as the City and the Borrower may hereinafter designate.

10. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:

Exhibit A: Sandpiper Mobile Home Park Sources and Uses of Funds Schedule
Exhibit B: Sandpiper Construction and Operational Calculations
Exhibit C: Insurance Requirements
Exhibit D: Scope of Improvements

11. Integration of Loan Documents. Each of the Loan Documents, when executed and delivered to the City, will constitute a valid obligation, enforceable in accordance with its terms.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

BORROWER:

Resident Owned Parks, Inc.
A California Nonprofit Public Benefit Corporation

By: _____
Maurice A. Priest, President

CITY:
City of Arcata

By: _____
City Manager

Exhibit A To Loan Agreement

SANDPIPER MOBILE HOME PARK
SOURCES AND USES OF FUNDS SCHEDULE

Development Budget	TOTAL PROJECT COSTS	CONSTRUCTION SOURCES (Prioritize by lien position)		
		1 (Seller)	2 (Agency)	3 (HOME)
LAND COST/ACQUISITION				
Land Cost or Value	$818,000	$650,000	$0	$168,000
Total Acquisition Cost	$818,000	$650,000	$0	$168,000
REHABILITATION				
Site Work	$50,000	$0	$25,000	$25,000
Total Rehabilitation Costs	$50,000	$0	$25,000	$25,000
CONST. INTEREST & FEES				
Const. Loan Interest	$0	$0	$0	$0
Origination Fee	$0	$0	$0	$0
Credit Enhance. & App. Fee	$0	$0	$0	$0
Bond Premium	$0	$0	$0	$0
Taxes	$7,700	$0	$0	$7,700
Insurance	$2,800	$0	$0	$2,800
Title and Recording	$5,700	$0	$0	$5,700
Total Const. Interest & Fees	$16,200	$0	$0	$16,200
RESERVES				
Capitalized Rent Reserves	$0	$0	$0	$0
Capitalized Operating Reserve[1]	$17,600	$0	$0	$17,600
Capitalized Replacement Reserve[2]	$7,200	$0	$0	$7,200
Total Reserve Costs	$24,800	$0	$0	$24,800
Total Appraisal Costs	$0	$0	$0	$0
DEVELOPER COSTS				
Developer Fee	$45,000	$0	$0	$45,000
Consultant/Processing Agent	$0	$0	$0	$0
Project Administration	$0	$0	$0	$0
Const. Management Oversight	$0	$0	$0	$0
Other (specify)	$0	$0	$0	$0
Total Developer Costs[1]	$45,000	$0	$0	$45,000
TOTAL PROJECT COST	$954,000	$650,000	$25,000	$279,000

Note:

[1]Capitalized Operating Reserve must comply with the Uniform Multifamily Regulations Section 8308.

[2]If required by lenders other than HOME.

Exhibit A

SANDPIPER MOBILE HOME PARK
SOURCES AND USES OF FUNDS SCHEDULE

PERMANENT SOURCES AND USES

USES	TOTAL	PERMANENT SOURCES (Prioritize by lien position)		
		1 (Seller)	2 (Agency)	3 (HOME)
Loan carried by Seller	$650,000	$650,000		
HOME program income loan	$25,000		$25,000	
Loan from City of Arcata Agency Funds	$279,000			$279,000
	$0			
	$0			
	$0			
	$0			
	$0			
	$0			
	$0			
	$0			
	$0			
	$0			
	$0			
	$0			
TOTAL DEVELOPMENT COST	$954,000	$650,000	$25,000	$279,000

EXHIBIT B SANDPIPER PARK ARCATA

Operational Calculations

November 6, 2006

		HOME Assisted Units	
Household Income	MOD	LOW	VL
Percent of Median Income	80%	60%	50%
Number of Restricted Units	10	7	4

Unit Type
A 2 person unit
B 1 person unit
C Apartment

Unit #	Unit Type	Household Income	Utility Allowance	Total housing Cost	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 1	Year 2	Year 3	Year 4	Year 5
1	A	MOD	146	556	410	1	3.0%	4,920	5,068	5,220	5,376	5,538
2	A	LOW	146	456	310	1	3.0%	3,720	3,832	3,947	4,065	4,187
3	A	LOW	146	456	310	1	3.0%	3,720	3,832	3,947	4,065	4,187
4	A	MOD	146	556	410	1	3.0%	4,920	5,068	5,220	5,376	5,538
5	A	LOW	146	456	310	1	3.0%	3,720	3,832	3,947	4,065	4,187
6	A	MOD	146	556	410	1	3.0%	4,920	5,068	5,220	5,376	5,538
7	A	MOD	146	556	410	1	3.0%	4,920	5,068	5,220	5,376	5,538
8	A	LOW	146	456	310	1	3.0%	3,720	3,832	3,947	4,065	4,187
9	A	VL	146	456	310	1	3.0%	3,720	3,832	3,947	4,065	4,187
10	B	VL	122	381	259	1	3.0%	3,108	3,201	3,297	3,396	3,498
11	B	MOD	122	462	340	1	3.0%	4,080	4,202	4,328	4,458	4,592
12	B	VL	122	381	259	1	3.0%	3,108	3,201	3,297	3,396	3,498
13	B	LOW	122	381	259	1	3.0%	3,108	3,201	3,297	3,396	3,498
14	B	MOD	122	462	340	1	3.0%	4,080	4,202	4,328	4,458	4,592
15	B	MOD	122	462	340	1	3.0%	4,080	4,202	4,328	4,458	4,592
16	B	LOW	122	381	259	1	3.0%	3,108	3,201	3,297	3,396	3,498
17	B	MOD	122	462	340	1	3.0%	4,080	4,202	4,328	4,458	4,592
18	B	LOW	122	381	259	1	3.0%	3,108	3,201	3,297	3,396	3,498
19	B	MOD	122	462	340	1	3.0%	4,080	4,202	4,328	4,458	4,592
20	B	VL	122	381	259	1	3.0%	3,108	3,201	3,297	3,396	3,498
21	C	MOD	146	671	525	1	3.0%	6,300	6,489	6,684	6,884	7,091
TOTAL RENTAL INCOME					**6,969**	**21**	**1**	**83,628**	**86,137**	**88,721**	**91,383**	**94,124**

OTHER INCOME		Units	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
Laundry Income	1,100	1	0.0%	1,100	1,100	1,100	1,100	1,100
Utility Submetering annual income	10,160	1	0.0%	10,160	10,161	10,162	10,163	10,164
TOTAL OTHER INCOME	11,260			11,260	11,261	11,262	11,263	11,265
TOTAL INCOME				94,888	97,398	99,983	102,646	105,389
Less Vacancy Allowance	348		5%	-4,744	(4,870)	(4,999)	(5,132)	(5,269)
GROSS INCOME	**18,577**			**90,144**	**92,528**	**94,984**	**97,514**	**100,120**

OPERATING EXPENSES	Annual	%EGI	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
Accounting	1,080	1.2%	3.0%	1,080	1,112	1,146	1,180	1,216
Audit	5,000	5.5%	3.0%	5,000	5,150	5,305	5,464	5,628
Auto	0	0.0%	3.0%	0	-	-	-	-
General Administrative	0	0.0%	3.0%	0	-	-	-	-
Management Fee	5,854	6.5%	3.0%	5,854	6,030	6,210	6,397	6,589
Utilities (electricity & gas)	5,335	5.9%	3.0%	5,335	5,495	5,660	5,830	6,005
Payroll / Payroll Taxes	0	0.0%	3.0%	0	-	-	-	-
Insurance	2,800	0.0%	3.0%	0	2,884	2,971	3,060	3,151
Landscaping	600	0.7%	3.0%	600	618	637	656	675
Maintenance	4,000	4.4%	3.0%	4,000	4,120	4,244	4,371	4,502
Telephone	600	0.7%	3.0%	600	618	637	656	675
Trash	3,075	3.4%	3.0%	3,075	3,167	3,262	3,360	3,461
Water/Sewer	1,750	1.9%	3.0%	1,750	1,803	1,857	1,912	1,970
Park Billing	960	1.1%	3.0%	960	989	1,018	1,049	1,080
Permits, Fees & Licenses	400	0.4%	3.0%	400	412	424	437	450
Supplies	2,345	2.6%	3.0%	2,345	2,415	2,488	2,562	2,639
Dues & Subscriptions	0	0.0%	3.0%	0	-	-	-	-
Other: Advertising	0	0.0%	3.0%	0	-	-	-	-
On-Site Service Coordinator	0	0.0%	3.0%	0	-	-	-	-
Property Taxes and Assessments	6,750	7.5%	2.0%	6,750	6,885	7,023	7,163	7,306
Commercial Expenses	0	0.0%	3.0%	0	-	-	-	-
OPERATING EXPENSES (Excluding	**40,549**			**37,749**	**41,698**	**42,880**	**44,096**	**45,347**
Replacement Reserves	7,200		0.6%		2,400	4,800	4,800	4,800
Operating Reserve Deposit	17,545		0.0%		$ 625	$ 1,286	$ 1,323	$ 1,360
TOTAL OPERATING EXPENSES	**65,294**			**37,749**	**44,723**	**48,966**	**50,219**	**51,508**
CASH FLOW AVAILABLE FOR DEBT SERVICE				**52,395**	**47,805**	**46,018**	**47,295**	**48,612**

DEBT SERVICE & OTHER DISTRIBU	Loan Amount		Yr. 1 DSC	Year-1	Year-2	Year-3	Year-4	Year-5
Sellers (Warren & Susan Morton) [HA	650,000		1.14	45,966	45,966	45,966	45,966	45,966
HOME FUNDS (City of Arcata)	279,000		1.14					
Redevelopment Agency	25,000							
DEBT COVERAGE RATIO				1.14	1.04	1.00	1.03	1.06
ANNUAL NET CASH FLOW				6,429	$ 1,839	$ 52	$ 1,329	$ 2,646
CUMULATIVE CASH FLOW				6,429	$ 8,268	$ 8,320	$ 9,649	$ 12,295
Developer share of Cash Flow				3,215	$ 920	$ 26	$ 665	$ 1,323
HOME FUNDS (City of Arcata)	279,000			3,215	$ 920	$ 26	$ 665	$ 1,323

Exhibit C To Loan Agreement

INSURANCE REQUIREMENTS

At the date of issuance of Notice of Completion for the Development, the City must receive a one-year prepaid Certificate of Insurance policy (or a binder followed by a certificate within 30 days of loan closing) evidencing the following coverage:

1. HAZARD (PROPERTY)

Perils:	All risk; or Fire & Lightning, Extended Coverage, Vandalism Malicious Mischief.
Covered Property:	Structure; and All risk contents coverage.
Amount:	Replacement value (or less if approved by City).
Coinsurance:	No less than 90 percent.
Deductible:	$2,500 maximum deductible per occurrence; or $1,000 maximum deductible per occurrence if the completed project value is less than $300,000.
Endorsement:	City's Loss Payable Endorsement required insuring the City.

OTHER PROPERTY INSURANCE

Flood Insurance:	Coverage required to 80 percent of replacement cost if the property is located in a 100-year flood plain.
Steam Boiler & Related Machinery:	(When applicable) 80 percent of replacement cost coverage is required.

2. COMPREHENSIVE GENERAL LIABILITY

Minimum Amount:	$1,000,000 per occurrence; or $2,000,000 per occurrence for buildings with elevators.

3. OTHER COVERAGE

Loss of Rents:	Coverage shall insure 75 percent of annual gross rents.
Workers Compensation:	Required by State law if employees are involved.

ALL POLICIES MUST INCLUDE THE FOLLOWING

Named Insured:	Borrower
Additional Insured:	The City of Arcata and its officers, agents, employees, and servants must be named as additional insured.
Cancellation Clause:	The City must be notified 30 days prior to cancellation of the insurance policy.
Notification:	The City must be notified prior to cancellation or lapse of coverage or in the event of any claim.

The City should be identified on all insurance documents as follows:

City of Arcata

736 F Street

Arcata, CA 95521

EXHIBIT D

To Loan Agreement

SCOPE OF IMPROVEMENTS

I. GENERAL DESCRIPTION

The project will result in the Acquisition and Rehabilitation of an existing 21 unit mobile home park located at 115 G Street, Arcata, California (APN 503-224-046). The City and Agency have committed to fund the following improvements related to the Site in the amount of up to Fifty Thousand Dollars ($50,000.00) to assist in funding the following improvements associated with the City's affordable housing program:

- A minimum of 10% of lot area shall be landscaped.
- Pave driveway and one parking space per unit.
- Install underground natural gas hookups to all 21 units.
- Inspect and upgrade other underground utilities as needed.
- Upgrade fencing
- The participant hereby commits to submit site improvement plans, bid and contract documents to the City for review and approval prior to going out to competitive bid or permit application submittal.

II. IMPROVEMENT STANDARDS

The site shall be designed and developed according to the following development standards.

A. State Mobile Home Park Permit. Borrower shall comply with all standards set by the Sandpiper Mobile Home Park holds Permit # 12-0041-MP issued by the California Department of Housing and Community Development.

B. City of Arcata General Plan: Borrower shall comply with the City's General Plan 2020 and all amendments.

C. City Land use Zoning: Borrower shall comply with the City's Land Use and Development Guide and all amendments and revisions.

D. Nonconforming Site Conditions. Existing nonconforming conditions shall not be changed in a way that results in a greater degree of nonconformity

E. Building Height. The building height shall not exceed the coverage limits established for the Site in the City's Municipal Code.

F. Parcel Coverage. The structures to be constructed shall not exceed the coverage limits established for the Site in the City's Municipal Code.

G. Building Setbacks. Minimum building setbacks shall be in conformance with the City's Municipal Code.

H. Building Construction. The improvements to be constructed on the Site and all work of construction on the Site (in general) shall be performed in accordance with the City's Municipal Code, the approved architectural and construction plans, drawing and specifications pertaining thereto, and all applicable state and local laws in effect from time to time including, without limitation, the Building, Electrical, Heating, Ventilation and Plumbing Codes of the City.

I. Signs. Signs and signing shall be limited in size, subdued and otherwise designed to contribute positively to the environment, and shall be in conformance with the City's Municipal Code.

J. Screening and Landscaping. All outdoor storage of materials or equipment shall be enclosed or screened by walls, landscaping or enclosure to the extent and in the manner required by the City's Municipal Code and in accordance with approved Site and landscape plans, drawings and specifications.

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

November 21, 2006

RECEIVED
NOV 27 2006
COMMUNITY DEVELOPMENT
AND BUILDING

Mr. Larry Oetker, Deputy Director
Community Development
City of Arcata
736 F Street
Arcata, California 95521

RE: SANDPIPER PARK

Dear Larry:

Enclosed please find the signed original 1 of 2 of the Loan Agreement regarding Sandpiper Park. It was not until I received your November 6, 2006 cover letter that I understood your reference to the regulatory agreement as classifying Spaces 1-9 as comparable units and Spaces 10-20 as comparable units, with a restriction that "rent prices cannot float between comparable units, but can be floated within comparable units."

As I stated during our conversation last week, I believe this restriction is unnecessary and will cause unnecessary problems for ROP as it manages Sandpiper Park in compliance with the regulatory agreement. As you know, Sandpiper Park is an extremely small mobilehome park. It is very likely that at some time within the next 30 years, someone who occupies a very low income unit in Spaces 1-9 may want to sell their home to someone of moderate or above income, and that someone in Spaces 10-20 may wish to sell to a buyer who meets the very low income guideline. ROP, or any property management company in a similar position, must have the flexibility, within those 20 mobilehome sites, to make sure that at all times ten units will be occupied by moderate income households, seven by low-income households, and four by very low-income households. As long as the designated income restriction is met throughout the 20 spaces, I do not believe that ROP's property management hands should be unnecessarily restricted by dividing the number of spaces and limiting their occupants for the next 55 years to a certain income level.

I am pointing this problem out now, in hopes that the regulatory agreement can be modified at this time to state that the number of low income, very low income, and moderate income levels must be maintained, but that the entire 20 units of the mobilehome park and the wood frame apartment can all be utilized to make sure that this level is maintained at all times.

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

I am sending a copy of this letter, without the enclosure, to City Attorney Nancy Diamond so that this request can be considered by the City.

Thank you for your continuing assistance as we approach the close of escrow. ROP, on behalf of Warren and Susan Morton and all residents of Sandpiper Park, sincerely appreciates your assistance and the funding provided by the City of Arcata which made this purchase possible.

Sincerely,

RESIDENT OWNED PARKS, INC.

Maurice A. Priest

Enclosure

cc: Nancy Diamond
Attorney at Law
822 G Street, Suite 3
Arcata, California 95521
(*without enclosure*)

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 E-mail: rop@att.net Website: www.residentownedparks.com

Fidelity National Title Company

8950 Cal Center Drive, Bldg. 3, Suite 100, Sacramento, CA 95826
916 364-4070 • FAX 916 364-4093

ATTN: Finance Dept.
City of Arcata
736 F Street
Arcata, CA 95521

DATE: March 15, 2007
ESCROW NO.: 06-**5003463**-MN
LOCATE NO.: CAFNT0912-0934-0010-0000501975
LOAN NO.:
BORROWER(S): Resident Owned Parks, Inc.
PROPERTY ADDRESS:
115 G Street, Arcata, CA 95521

We enclose the following documents and/or papers in connection with the above referenced loan:

Check 1003016097 in the amount of $9,641.02
Original Note in the amount of $318,400.00
Final Settlement Statements
Copy of recorded documents

Escrow has closed and all documents have been recorded as of March 9, 2007. Your policy of title insurance will follow under separate cover.

We trust that this transaction has been handled to your satisfaction and look forward to the opportunity of serving you again in the near future.

Sincerely,

Lynn Gregory for Marja Nickel
Branch Manager/Escrow Officer
916 364-4070

LG

enclosure(s)

Paid To	Date	k Number	Check Amount
City of Arcata	3/12/07	1003016097	$9,641.02

Escrow #: 0005003463 Order #: 0000501975 Closer: Marja Nickel

Buyer: Resident Owned Parks, Inc. Seller: Warren Clark Morton and Susan Elizabeth Morton

Property: 115 G Street
Arcata, CA 95521

Memo:

Refund of excess funds	9,641.02

WARNING - Do not cash unless you can verify a color change - Rub Briskly to Verify

Fidelity National Title Company
Trust Account - Sacramento Commercial & Indus
8950 Cal Center Drive, Bldg. 3, Suite
Sacramento, CA 95826
916 364-4070

Comerica Bank
90-3752/1211

1003016097

March 12, 2007

Escrow #	Cost Ctr	Printer	Closer
0005003463	0934	0001	MN

PAY NINE THOUSAND SIX HUNDRED FORTY ONE DOLLARS AND 02 CENTS $9,641.02

VOID AFTER 90 DAYS

TO THE ORDER OF City of Arcata

Memo

TWO SIGNATURES REQUIRED

WARNING - VERIFY WORD VALID BY TOUCHING, RUBBING OR BREATHING ON.

⑈1003016097⑈ ⑆121137522⑆ 18915585 69⑈

VOID COPY VOID COPY VOID COPY

Fidelity National Title Company

8950 Cal Center Drive, Bldg. 3, Suite 100, Sacramento, CA 95826
916 364-4070 • FAX 916 364-4093

DATE: March 12, 2007 **TIME:** 2:54 PM
ESCROW NO.: 06-**5003463**-MN
LOCATE NO.: CAFNT0912-0934-0010-0000501975
ESCROW OFFICER: Marja Nickel **CLOSING DATE:** March 9, 2007

BUYER FINAL CLOSING STATEMENT

SELLER: Warren Clark Morton and Susan Elizabeth Morton
BUYER: Resident Owned Parks, Inc.
PROPERTY: 115 G Street, Arcata, CA 95521

	$ DEBITS	$ CREDITS
FINANCIAL:		
Total Consideration	818,000.00	
New 1st Trust Deed to null		650,000.00
New 2nd Trust Deed to City of Arcata		318,400.00
PRORATIONS/ADJUSTMENTS:		
Unpaid County Taxes at $747.18 Semi-Annual from 1/1/2007 to 3/9/2007		282.27
Lease Rent at $5,316.00 Monthly from 3/9/2007 to 4/1/2007		3,898.40
Security Deposits		4,510.00
Key Deposits		150.00
TITLE CHARGES:		
01-O-CLTA Standard - 1990 for $818,000.00	1,150.00	
01-L-CLTA Standard - 1990 for $650,000.00	75.00	
County Transfer Tax	449.90	
Recording	49.00	
ESCROW CHARGES:		
Escrow Fee to Fidelity National Title	595.25	
Doc Prep Fees to Fidelity National Title	150.00	
Overnight Delivery Fee	15.00	
NEW LOAN CHARGES - City of Arcata		
Total Loan Charges: $56,870.00		
retained to City of Arcata	50,000.00	
Retained to City of Arcata	4,500.00	
Retained to City of Arcata	2,370.00	
MISCELLANEOUS:		
Resident Owned Parks, Inc. for Operating Reserve Account	32,030.00	
Resident Owned Parks, Inc. for Replacement Reserve	4,800.00	
Resident Owned Park, Inc. for Developer Fee	40,500.00	
Northwest Insurance Agency for Flood Insurance	1,087.00	
Northwest Insurance Agency for Insurance	1,900.00	
Warren Clark Morton and Susan Elizabeth Morton for Prepaid Interest	622.92	
Resident Owned Parks, Inc. for Reimburse for Rent	3,898.40	
Resident Owned Parks, Inc. for Reimburse for Security Deposits	4,510.00	
Resident Owned Parks, Inc. for Reimburse for Key Deposits	150.00	
City of Arcata for Refund of excess funds	9,641.02	
Humboldt County Tax Collector for 2nd inst. 2006-07 503-224-046-000	747.18	
BALANCE DUE ESCROW		
TOTALS	$977,240.67	$977,240.67

SAVE THIS STATEMENT FOR INCOME TAX PURPOSES

NANCY DIAMOND

Attorney at Law

822 G Street, Suite 3
Arcata, California 95521
Telephone: 707/826-8540
Facsimile: 707/826-8541
E-mail: ndiamond@humboldt1.com

March 5, 2007

Fidelity National Title Company
Attn: Marja Nickel
8950 Cal Center Drive, Bld 3, Suite 100
Sacramento, CA 95826

Re: City of Arcata, Arcata Community Development Agency
Escrow Closing Instructions for Sandpiper Mobile Home Park
APN 503-224-046-000 (Property)
Warren Clark Morton and Susan Elizabeth Morton (Seller)
Resident Owned Parks, Inc. (Buyer)
Purchase Price: $818,000
Escrow No. 06-5003463-MN

Dear Ms. Nickel:

The City of Arcata ("City") and Arcata Community Development Agency ("Agency") are pleased to assist in the financing of the above-referenced transaction. The following constitutes escrow instructions for the City and the Agency for this transaction. Please sign and return an original of these instructions to the City, evidencing your assent and ability to comply with the terms therein.

A. The Transaction.

This transaction concerns the acquisition of the above-referenced 21-unit mobile home rental park, known as the Sandpiper Mobile Home Park. The City and Agency's participation is through acquisition, operation and rehabilitation financing to the Buyer in the total amount of $318,400, of which $279,000 is from the City and $39,400 is from the Agency. This financing will be evidenced by a promissory note to be secured by a Deed of Trust against the property. This Deed of Trust will be secured subordinate to a Deed of Trust securing the loan from the Sellers in the amount of $650,000.

In order to ensure long-term affordability of the property, and as a condition of receiving financial assistance from the City and Agency, the Buyer will execute a Regulatory Agreement. This Agreement will be recorded on title in advance of the Seller's first Deed of Trust.

The City and Agency financing amount recited above combines acquisition assistance together with rehabilitation assistance in the amount of $50,000. Although the total amount recited above will be secured by Deed of Trust, the City will separately disburse the $50,000 in

rehabilitation funds directly to the Buyer.[1] Additionally, the City will retain 10% of the developer fee in the amount of $4,500 to be disbursed to Buyer in the future after complete and satisfactory rehabilitation. Finally, the City will also retain $2,370 to be disbursed directly to Buyer on or before January 15, 2008. This $2,370 disbursal is subject to the City's receipt from Buyer no later than December 15, 2007 of a request for disbursal of these funds. This disbursement will be restricted so that Buyer will be required to place the $2,370 directly into a Replacement Reserve account described in the Regulatory Agreement.

Accordingly, the amount of funds the City hereby deposits into escrow to advance this transaction will be $261,530. As a condition of receiving these funds, Buyer is required to deposit $32,030 directly into an Operating Reserve account, and $4,800 into a Replacement Reserve account. These accounts are described in the Regulatory Agreement. Buyer may retain $40,500 as a developer fee.

B. Seller's Deposits Into Escrow.

In connection with the above transaction, the Seller will separately deposit into escrow the following documents and funds:

1. An original Grant Deed duly executed by Seller.
2. An original Installment Promissory Note evidencing debt to Seller in the amount of $650,000, to be executed by Buyer. This Installment Note shall be prepared by you and shall include the restriction that prepayment of the debt, in whole or part, is not permitted without the prior written authorization of the City. Failure to include this restriction on the Installment Note shall nullify this transaction.
3. An original Short Form Deed of Trust and Assignment of Rents securing Seller's debt to be executed by Buyer, which shall be prepared by you.

C. City's Deposits Into Escrow.

In connection with the above transaction, the City and Agency enclose and deposit into escrow the following loan documents and funds:

1. An original Regulatory Agreement to be executed by Buyer.
2. An original Promissory Note in the amount of $318,400 to be executed by the Buyer.
3. An original Deed of Trust to secure the Promissory Note, to be executed by the Buyer.

1 The City will take as a first draw from the rehabilitation funds prior to disbursing these funds to buyer, $900.00 as payment for the transfer of water accounts.

4. Funds in the amount of $261,530 as acquisition and operation financing and including funds in the amount of $16,200 for the following fees, charges and costs:
   - Up to $7,700 for taxes
   - Up to $2,800 for insurance
   - Up to $5,700 for title and recording

D. Document Finalization and/or Execution.

The following blanks are to be filled in by you upon Buyer's execution of the identified document. Please attach correct legal descriptions where necessary for recording. No other alterations or erasures of any of these documents are permitted without the advance written approval of the City of Arcata.

1. City's Regulatory Agreement: 1) The date of the Agreement in the preamble.
2. Promissory Note secured by Deed of Trust: 1) The date of the Agreement at the top of the first page.
3. Deed of Trust, Security Agreement and Fixture Filing With the Assignment of Rents and Agreements: 1) The date of execution in the preamble on the first page.

E. Recording Instructions.

The following are your recording instructions:

1. Please record the Regulatory Agreement after recordation of the Grant Deed.
2. Please record the Seller's Deed of Trust securing $650,000 in financing in advance of the City's Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents and Agreements, and after the Regulatory Agreement.
3. Do not record any documents until the City has given final approval as to form of the Seller's Installment Note.
4. Do not record any City documents if you have knowledge of a concurrent or subsequent escrow to be opened or closed upon completion of this escrow, which will transfer the subject property.
5. Do not close and do not record any City documents if there has been any change in Buyer's Escrow Instructions, if any, without our written approval.

Our commitment to make this loan in accordance with the terms hereby set forth expires in 30 days. If for any reason this escrow does not close by 5:00 p.m. on April 4, 2007, return all documents and funds, if any, together with these Instructions.

F. Close of Escrow.

At the Close of Escrow please do the following:

1. Advance the City's acquisition and operation loan proceeds as follows: $168,000 to Seller for acquisition, $32,030 to Buyer to be placed in a restricted Operating Reserve Account, $4,800 to Buyer to be placed in a restricted Replacement Reserve, and the balance, $40,500, to Buyer as a developer fee.
2. Pay associated fees, charges and costs as described in section B(5) above. Any additional costs shall be paid by the Buyer.
3. Return to the City excess funds deposited by the City, if any.

G. Distribution of Documents.

Please furnish the City of Arcata all of the following:

1. The original City Promissory Note.
2. Certified copies of any and all executed escrow instructions, amendments, and the HUD Settlement Statement.
3. Conformed copies of all recorded documents within 72 hours of recording.
4. The address to which all documents are to be sent is as follows:

City of Arcata
Finance Department
736 F Street
Arcata, CA 95521

Please contact Larry Oetker at 825-2138 or Nancy Diamond, City Attorney, at 826-8540, if you have any questions. Please acknowledge receipt of all enclosures and your complete understanding of our Instructions and conditions by signing and returning a copy of these Instructions at your soonest convenience. Thank you for your attention.

Very truly yours,

Nancy Diamond
City Attorney, City of Arcata

Read and Agreed to by

FIDELITY NATIONAL TITLE COMPANY
(Signature on next page)

By _____
Marja Nickel, Escrow Officer

Date: 3.12.07

ND/met
Enclosures

c: Michael Hackett, City Manager
Janet Luzzi, Finance Director
Larry Oetker, Dep. Dir. Redevelopment
Maurice Priest

sandpiper mobile home park\escrow instructions.030207

INSTALLMENT NOTE
INSTALLMENT (INTEREST INCLUDED)

Escrow No.: 06-**5003463**-MN
Locate No.: CAFNT0912-0934-0010-0000501975
Title No.: 06-**501975**

$650,000.00 **Sacramento**, California January 26, 2007

In installments as herein stated, for value received, I promise to pay to

Warren Clark Morton and Susan Elizabeth Morton, husband and wife, as joint tenants or order,

at **2485 Bolier Avenue, McKinleyville, Ca. 95519**, the sum of **SIX HUNDRED FIFTY THOUSAND AND NO/100** DOLLARS,

with interest from **February 1, 2007**, on the unpaid principal, at the rate of **5.75** percent per annum. Principal and interest payable in monthly installments of

THREE THOUSAND SEVEN HUNDRED NINETY THREE AND 22/100 DOLLARS, (**$3,793.22**),

OR MORE on the 15th day of each and every month, beginning on **March 15, 2007**, and continuing until said principal and interest have been paid.

Prepayment of this note or any portion thereof shall not be permitted without the prior written authorization of Warren Clark Morton and Susan Elizabeth Morton.

Each payment shall be credited on interest then due, and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment when due the whole sum of principal and interest shall become due at the option of the holder of this Note. Principal and interest payable in lawful money of the United States. If action be instituted on this Note I promise to pay such sum as the Court may fix as attorney's fees. This Note is secured by a Deed of Trust to **Fidelity National Title Company, a California corporation,** herein called Trustee.

Resident Owned Parks, Inc.,
A California nonprofit housing corporation

By:_____
Maurice A. Priest, President

DO NOT DESTROY THIS NOTE: When paid, this Note and the Deed of Trust must be surrendered to Trustee for cancellation, before reconveyance will be made.

RECORDING REQUESTED BY:
Fidelity National Title Company
Escrow No.: 06-**5003463**-MN
Locate No.: CAFNT0912-0934-0010-0000501975
Title No.: 06-**501975**

When Recorded Mail Document To:
Mr. and Mrs. Warren C. Morton
2485 Bolier Avenue
McKinleyville, Ca. 95519

APN: 503-224-046-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made January 26, 2007 , between
Resident Owned Parks, Inc., a California nonprofit housing corporation
, herein called **TRUSTOR,** whose address is
7420 Greenhaven Drive, Suite 125, Sacramento, Ca. 95831

Fidelity National Title Company, a California corporation, herein called **TRUSTEE,** and
Warren Clark Morton and Susan Elizabeth Morton, husband and wife, as joint tenants
, herein called **BENEFICIARY,**

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, that property in the City of Arcata, Humboldt County, California, described as:

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

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one Promissory Note of even date herewith, and any extension or renewal thereof, in the principal sum of **$650,000.00** executed by Trustor in favor of Beneficiary or order. 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it is so secured.

INITIALS: _____ _____ _____ _____

APN: 503-224-046-000

To Protect the Security of this Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded in Santa Barbara County and Sonoma County October 18, 1961, and in all other counties October 23, 1961, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, viz:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	435	684	Kings	792	833	Placer	895	301	Sierra	29	335
Alpine	1	250	Lake	362	39	Plumas	151	5	Siskiyou	468	181
Amador	104	348	Lassen	171	471	Riverside	3005	523	Solano	1105	182
Butte	1145	1	Los Angeles	T2055	899	Sacramento	4331	62	Sonoma	1851	689
Calaveras	145	152	Madera	810	170	San Benito	271	383	Stanislaus	1715	456
Colusa	296	617	Marin	1508	339	San Bernardino	5567	61	Sutter	572	297
Contra Costa	3978	47	Mariposa	77	292	San Francisco	A332	905	Tehama	401	289
Del Norte	78	414	Mendocino	579	530	San Joaquin	2470	311	Trinity	93	366
El Dorado	568	456	Merced	1547	538	San Luis Obispo	1151	12	Tulare	2294	275
Fresno	4626	572	Modoc	184	851	San Mateo	4078	420	Tuolumne	135	47
Glenn	422	184	Mono	52	429	Santa Barbara	1878	860	Ventura	2062	386
Humboldt	657	527	Monterey	2194	538	Santa Clara	5336	341	Yolo	653	245
Imperial	1091	501	Napa	639	86	Santa Cruz	1431	494	Yuba	334	486
Inyo	147	598	Nevada	305	320	Shasta	684	528			
Kern	3427	60	Orange	5889	611	San Diego	Series 2 Book 1961, Page 183887				

which provisions, identical in all counties, (printed on the attached unrecorded pages) are hereby adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that Trustor will observe and perform said provisions; and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

DATED: January 26, 2007

Resident Owned Parks, Inc.,
A California nonprofit housing corporation

By:_____
Maurice A. Priest, President

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

Witness my hand and official seal.

Signature _____ (Seal)

INITIALS: _____ _____ _____ _____

APN: 503-224-046-000

DO NOT RECORD

The following is a copy of provisions (1) to (14), inclusive, of the fictitious deed of trust, recorded in each county in California, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

INITIALS: _____ _____ _____ _____

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such, rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash of lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the proceeding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and pages where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

INITIALS: _____ _____ _____ _____

APN: 503-224-046-000

REQUEST FOR FULL RECONVEYANCE

Fidelity National Title Company, a California corporation, TRUSTEE:
The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

_____ _____

By:_____ By:_____

Please mail Reconveyance to:

_____,

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both original documents must be delivered to the Trustee for cancellation before reconveyance will be made.

STATE OF CALIFORNIA)
COUNTY OF _____)

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

Witness my hand and official seal.

Signature _____ (Seal)

INITIALS: _____ _____ _____ _____

Escrow No.: 06-**5003463**-MN
Locate No.: CAFNT0912-0934-0010-0000501975
Title No.: 06-**501975**

EXHIBIT "A"

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

Parcel 1, as shown on Parcel Map No. 632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

SANDPIPER PARK ESCROW INFORMATION

ESCROW NUMBER 5003463

Marja Nickel
Senior Commercial Escrow Officer
Fidelity National Title Company
8950 Cal Center Drive
Building 3, Suite #100
Sacramento, CA 95826

916/364-4076
fax 916/364-4093
Email: MNickel@fnf.com

Fidelity National Title Company
OF CALIFORNIA

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, ***Fidelity National Title Company of California*** *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 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. 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 OF CALIFORNIA

SEAL

BY _____ President

ATTEST _____ Secretary

_____
Countersigned

Visit Us on our Website: www.fntic.com

Fidelity National Title Company
OF CALIFORNIA

8950 Cal Center Drive, Bldg. 3, Suite 100 • Sacramento, CA 95826
916 364-4070 • FAX 916 364-4093

PRELIMINARY REPORT

Title No.: 06-**501975**

Escrow Officer: Marja Nickel
Escrow No.: 06-**5003463**-MN

Locate No.: CAFNT0912-0934-0010-0000501975

TO: Resident Owned Parks, Inc.
7420 Greenhaven Drive., STE 125
Sacramento, CA 95831

ATTN: Maurie Priest
YOUR REFERENCE: Mobile Park Homes

SHORT TERM RATE: No

PROPERTY ADDRESS: 115 G Street, Arcata, California

EFFECTIVE DATE: October 19, 2006, 07:30 A.M.

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

ALTA Loan Policy (10/17/92) with ALTA Endorsement-Form 1 Coverage

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:

   Warren Clark Morton and Susan Elizabeth Morton, husband and wife, as joint tenants

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

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

PG\PG 11/16/2006

LEGAL DESCRIPTION

EXHIBIT "A"

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

Parcel 1, as shown on Parcel Map No. 632 for Albert J. Babich filed in the Recorder's Office of Humboldt County on October 23, 1975 in Book 5 of Parcel Maps, Page 115

APN: 503-224-046-000

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,** including any personal property taxes and any assessments collected with taxes, for the fiscal year 2006-2007, Assessor's Parcel Number 503-224-046-000.

Code Area Number:	001-035
1st Installment:	$747.18 due
2nd Installment:	$747.18 due
Land:	$94,469.00
Improvements:	$48,394.00
Exemption:	None Shown
Personal Property:	None Shown

2. **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.

3. **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.

4. **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:	the Northerly 12 feet as shown on said map

5. **The transaction contemplated** in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF ITEMS

Note 1. The current owner does NOT qualify for the $20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.

Note 2. There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

Note 3. Should an ALTA Inspection be required the fee will be $35.00

Note 4. Wiring instructions for Fidelity National Title Company of California, Eureka, CA, are as follows:

Receiving Bank:	Comerica Bank California 9920 So. La Cienega Blvd. Inglewood, CA 90301
ABA Routing No.:	121137522
Credit Account Name:	Fidelity National Title Company of California - Sacramento Commercial & Industrial 404 H Street, Eureka, CA 95501
Credit Account No.:	1891558569
Escrow No.:	06-**5003463**-MN

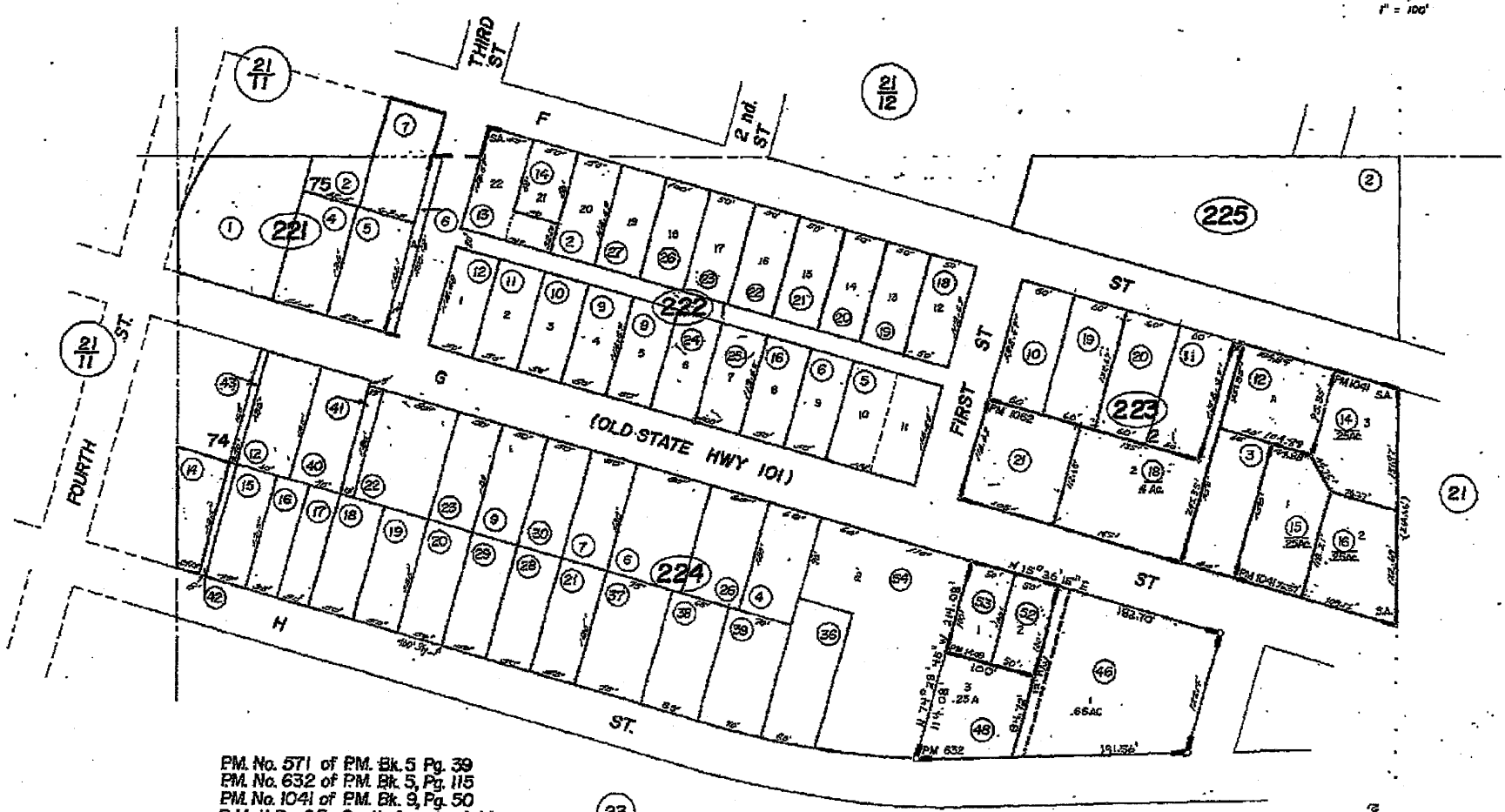
These wiring instructions are for this specific transaction involving the Title Department of the Eureka office of Fidelity National Title Company of California. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department.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

END OF NOTES

POR. SW 1/4 OF NE 1/4 SEC 32, T6N, R1E

503-22

1" = 100'



P.M. No. 571 of P.M. Bk. 5 Pg. 39
P.M. No. 632 of P.M. Bk. 5, Pg. 115
P.M. No. 1041 of P.M. Bk. 9, Pg. 50
R.M. 11 Pg. 65 South Arcata Add.
P.M. No. 1062 of P.M. Bk. 9, Pg. 82
P.M. No. 1449 of P.M. Bk. 12, Pg. 124

Assessor's Maps Bk. 503 — Pg. 22
County of Humboldt, Calif.

NOTE – Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

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

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

   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.
   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
   - a notice of exercising the right appears in the public records on the Policy Date
   - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking
3. Title Risks:
   - that are created, allowed, or agreed to by you
   - that are known to you, but not to us, on the Policy Date-unless they appeared in the public records
   - that result in no loss to you
   - that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   - to any land outside the area specifically described and referred to in Item 3 of Schedule A
     or
   - in streets, alleys, or waterways that touch your land

   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

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

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

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

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

SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE

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

PART I

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

ATTACHMENT ONE
(CONTINUED)

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE

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

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

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

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

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

The above ALTA policy forms, dated 10-17-92, may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

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

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

ATTACHMENT ONE
(CONTINUED)

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
   a. building
   b. zoning
   c. Land use
   d. improvements on Land
   e. Land division
   f. environmental protection

   This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
   This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
   a. notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or $ 5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or $ 2,500.00 (whichever is less)	$ 5,000.00

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

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

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

Notice

You may be entitled to receive a $20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective through November 1, 2014

Fidelity National Title Group of Companies' Privacy Statement

July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, our affiliates, or others;
- From our Internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We also may disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested;
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability to Correct Errors or Request Changes or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Fidelity National Title Group, Inc.
Privacy Compliance Officer
601 Riverside Avenue
Jacksonville, FL 32204

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

Jeanne Peffley
(707) 272-7988

State of California
Business, Transportation and Housing Agency
Department of Housing and Community Development
Division of Codes and Standards
Mobilehome and Special Occupancy Parks Programs

1378

APPLICATION FOR PERMIT TO CONSTRUCT

REVERSE SIDE OF FORM FOR INSTRUCTIONS AND ADDITIONAL INFORMATION

CONTRACTOR/OWNER BUILDER DECLARATIONS
Not required for commercial modulars or Recreational Vehicles

1. LICENSED CONTRACTOR'S DECLARATION
I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect.

License Class _____ Lic. No. _____ Exp. Date _____

Contractor _____ Date _____

2. OWNER-BUILDER DECLARATION
I hereby affirm under penalty of perjury that I am exempt from the Contractors License Law for the following reason (Sec. 7031.5) Business and Professions Code: Any city or county which requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for such permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt therefrom and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars($500).

☐ I, as owner of the property, or my employees with wages as their sole compensation, will do the work, and the structure is not intended or offered for sale (Sec. 7044, Business and Professions Code: The Contractors License Law does not apply to an owner of property who builds or improves thereon, and who does such work himself or herself or through his or her own employees, provided that such improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the owner-builder will have the burden of proving that he or she did not build or improve for the purpose of sale).

☑ I, as owner of the property, am exclusively contracting with licensed contractors to construct the project (Sec. 7044, Business and Professions Code: The Contractors License Law does not apply to an owner of property who builds or improves thereon, and who contracts for such projects with a contractor(s) licensed pursuant to the Contractors License Law.)

☐ I am exempt under Sec. _____ B. & P.C. for this reason.

Owner _____ Date 6/11/12

3. WORKERS' COMPENSATION DECLARATION
I hereby affirm under penalty of perjury one of the following declarations:

☐ I have and will maintain a certificate of consent to self insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

☐ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

Carrier _____

Policy Number _____

(This section need not be completed if the permit is for one hundred dollars ($100) or less).

☐ I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and agree that, if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

Agent _____ Date _____

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS ($100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

CONSTRUCTION LENDING AGENCY
I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Sec. 3097, Civ. C.).

Lender's Name _____

Lender's Address _____

4. VERIFICATION
I hereby affirm that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction, and hereby authorize representatives of this city or county to enter the above-mentioned property for inspection purposes.

Owner or Authorized Agent _____ Date 6/11/12

SECTION 1 - OWNER/APPLICANT INFORMATION

Park Name Sandpiper Park

Park Address 115 G Street

City Arcata County Humboldt

Zip 95521 Unincorporated ____ Incorporated ✓

Park Owner Resident Owned Parks, Inc.

APPLICANT Resident Owned Parks, Inc.

☐ CONTRACTOR ☑ OWNER ☐ Other _____

Address 7420 Greenhaven Dr. #125

Sacramento CA 95831 Tel. No. 916 3994993

Architect/Engineer Winzler + Kelly Lic. No. 70358

Address 718 Third St. Tel. No. 7074438326

Eureka, CA. 95501

SECTION 2 - DESCRIPTION OF WORK AND VALUATION

Re-Construct mobilehome park;
Remove 2 RV lots from park.
Revision to Lot sizes.
(16 MH Lots)(5) Addl Insp -
Renewal of expired
permit (04488399)
with revisions

Valuation $ _____

SECTION 3 - ACCESSORY BUILDINGS or STRUCTURES

☐ NEW ☐ REINSTALL Standard Plan Approval No. _____

☐ Awning ☐ Carport ☐ Porch ☐ Cabana

☐ Other (specify) _____

OWNER _____ Tel. No. _____

Address _____

RESIDENT _____ Tel. No. _____

Lot No. _____

SECTION 4 - MANUFACTURED HOME/MOBILEHOME INSTALLATION

Owner _____ Tel. No. _____

Address _____

(Resident) _____ Lot No. _____

Serial Number(s) _____

Manufacturer Name/
Date of MFG. _____ Model Name _____

Insignia/HUD Label No. _____

SECTION 5 - PARK OWNER, OPERATOR OR MANAGER SIGNATURE

APPROVED _____ 6/11/12

(Signature Required) Date

DEPARTMENT USE ONLY

ID No. 12-0041

☒ MP ☐ AS ☐ MHI

Closed By _____

Date Closed _____

COLLECTION INFORMATION

Collection # _____

Fee Rec'd 1556

Collection Date 6/14/12

Assigned To Peffley

Routed By _____

Upon Department approval to release, and payment of fees, this permit is issued only for items validated below.

PERMIT # 7364110

MH ACC/S _____

MP 444.-

BLDG _____

MHI _____

MISC. 896.-

TECH SER. _____

PLCK 222.-

S.M.I. _____

ISSUE _____

TOTAL 1,556.-

DIVISION PROCESS RECORD

Application _____

Local Planning _____

Local Fire _____

Local Health _____

Public Works _____

Environmental Impact _____

Negative Declaration _____

School Impact Fees _____

Date 6/27/12

Issued By _____

Expires 12/27/12

HCD 99 (Rev. 1/04) DISTRIBUTION: WHITE - DEPARTMENT BLUE - APPLICANT YELLOW - DISTRICT REPRESENTATIVE PINK - ASSESSOR

Subject: Primary Lender for 1st time homebuyer program at Arcata MHP
From: "Maurice A. Priest" <rop@att.net>
Date: Fri, 11 Apr 2008 15:03:07 +0000
To: <loetker@arcatacityhall.org>, <nhutchins@arcatacityhall.org>

April 11th

Dear Larry & Nicole:

This email follows up on my earlier call and my email shown below, to you and Nicole, regarding Jean Schoonmaker's offer to be the first lender for the City's first time home buyer program as to the three homes that she owns in Arcata MHP. It is urgent that I get a response from you so that we can move these transactions forward. Please respond as soon as possible so that I can get back to Jean and to her buyers. Thank you.

Maury (see last week's email below)

April 3, 2008

Dear Larry & Nicole:

As you know, ROP has endeavored, without success, to locate a lending institution willing to be a first lender in the City's first time homebuyer program. The City conducted last year, an informational seminar attended by homeowners in both Sandpiper Park and Arcata MHP in which the program was explained.
Many of those in attendance, left with the impression that local institutions were readily available to provide 51% loans on the purchase of a new manufactured home (at Arcata MHP), or new park models (at Sandpiper). I am not saying that the misimpression resulted from any statements by city reps at the seminar, but some homeowners have sinced asked me why a seminar explaining the program was even conducted, if the absence of a participating first lender prevented an interested and qualified homeowner from proceeding with a purchase.

As you know, in the ROP nonprofit purchase of Arcata MHP, the seller, Jean Schoonmaker, agreed to retain ownership of the 3 newest homes in the park, and the City required that she sell those homes within I believe 18 months of the ROP purchase, or risk some devaluation of those homes. ROP, with the park purchase, gained ownership of another 8 homes, all of which are much older, and most of which would be good candidates for the first time homebuyer program if we could just find participating lenders.

With regard to the 3 newest units owned by Jean Schoonmaker, one of her renters, who is gainfully employed, but who qualifies and has applied for the first time homebuyer program, has been unable to proceed due to the lack of a participating first lender. Jean is aware of the continuing problem and I have advised her of ROP's and Nicole's efforts to find a lender that will participate.

Jean has offered a solution as to her 3 homes, and I am asking for you to favorably consider her proposal.

She is willing to be the participating first lender on her 3 homes, taking back a first lien for $26,000 on each of these 3 homes valued at $50,000. The interest rate would be fixed at 7%, and fully amortized payments would be made during the 15 year term of the loan. The monthly payment amount would be $233.70 per month. The balance of the purchase price, $24,000 would come from the city's first time homebuyer program, and would be payable to Jean Schoonmaker upon close of escrow.

There are several reasons why I believe the City should favorably consider this proposal:

1. No lenders have agreed to participate to date;
2. Mobilehome lenders are few, and most quote rates of 9% or higher, and Jean is quoting a fixed rate of 7%;

3. Mobilehome lenders, on used homes, typically will allow a term of 10 years or less, which would drive up the monthly payment; Jean is offering a 15 year term;

4. Approval of this proposal will enable Jean to sell her 3 homes, something which the city is pressing her to do within the next 12 to 14 months.

Jean is anxious to learn if the City will be supportive of her proposal, and your response at your earliest opportunity would be much appreciated.

P.S. My prompt communication with the Tribal offices regarding closure of the tribe-owned mobilehome park, and offering relocation spaces if the tribe could be the first lender for qualified displaced homeowners, has received no response whatsoever. If you have contacts in the tribal business office, let me know. I am motivated to try further.

Sincerely,

--
Maurice A. Priest
President
Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831
Phone 916-399-4993
Fax 916-424-2205
E-mail: rop@att.net
Website: www.residentownedparks.com

RESIDENT OWNED PARKS, INC.
A Non-Profit Housing Corporation

RECEIVED
NOV 16 2007
COMMUNITY DEVELOPMENT
AND BUILDING

November 12, 2007

Nicole Hutchins
Larry Oetker
City of Arcata
736 F Street
Arcata, CA 95521

Re: Request for Extension for Completion of Rehab Work
Sandpiper Park, 115 G Street, Arcata, California APN 503-224-046

Dear Nicole and Larry:

Resident Owned Parks, Inc. (ROP) as owner of Sandpiper Park, 115 G Street Arcata, California respectfully requests an extension of time within which to complete the rehabilitation work funded by the City of Arcata. The request for an extension of time is based upon the following facts:

1. Although the rehab contract and commitment was signed in November 2006, purchase of the park by ROP did not close escrow until March of 2007;

2. Within three months of close of escrow, ROP solicited bids from qualified engineers and contractors with respect to the rehab work;

3. It was not until July/August 2007, that ROP and the City of Arcata approved the rehab engineering contract to Winzler Kelly and Points West Surveying Company; and

4. In November 2007, the contractors are seeking an abandonment of a 12-foot utility easement on the north side of the parcel. Abandonment of this 12-foot section along the entire northern boundary of the parcel must be completed in order for the rehab work to continue. ROP and its contractors anticipate that if legal action is not required in order to secure the utility easement abandonment, that the abandonment should be of record in December 2007, enabling the rehab work to proceed.

7420 Greenhaven Drive, Suite 125, Sacramento, CA 95831 (916) 399-4993
Fax (916) 424-2205 Email: rop@att.net Website: www.residentownedparks.com

We respectfully request an extension of the rehab contract through November 30, 2008.

Sincerely,

RESIDENT OWNED PARKS, INC.

By:_____
Maurice A. Priest, President ROP

MAP/kg

City of ARCATA

City Manager	Environmental Services	Police	Recreation
(707) 822·5953	822·8184	822·2428	822·7091
Community Development	*Finance*	*Public Works*	*Transportation*
822·5955	822·5951	822·5957	822·3775

736 F Street
Arcata, CA 95521

November 6, 2006

Maurice Priest
President, Resident Owned Parks, Inc.
7420 Greenhaven Drive, Suite 125
Sacramento, CA 95831

RE: Sandpiper Mobile Home Park Multifamily Acquisition/Rehabilitation Loan Agreement

Dear Mr. Priest:

Please find enclosed the two original Loan Agreements between Resident Owned Parks, Inc. and the City of Arcata for the acquisition and rehabilitation of the Sandpiper Mobile Home Park. Please sign both originals; retain original 2 of 2 for your records and return original 1 of 2 to the City at the address below. The Regulatory Agreement, Promissory Note, and Deed of Trust will be executed prior to the close of escrow but not before the City receives the documents identified in the enclosed Memorandum dated November 1, 2006

The Department of Housing and Urban Development Technical Guide for Determining Income and Allowances for the HOME Program (Income Guidelines) is included for your reference. The Income Guidelines specifies HUD's required methods for accurately determining income for tenants and residents for the HOME program. The City will monitor the income verifications of the Sandpiper Mobile Home Park residents against these income guidelines.

As per the Regulatory Agreement, all units are considered floating units. There are two types of comparable units, based on the size of the rental space. Spaces 1 – 9 are comparable units, and spaces 10 – 20 are comparable units. Rent prices cannot float between comparable units, but can be floated within comparable units. Income levels are also floating, and must remain at 4 very-low, 7 low, and 10 moderate-income households.

We are excited to be working with Resident Owned Parks, Inc. on the Sandpiper project, and the City appreciates your effort to maintain affordable housing in Arcata.

Respectfully,

Larry Oetker
Deputy Director of Community Development
City of Arcata
736 F St
Arcata, CA 95521

Enclosures:
Memorandum dated November 1, 2006
HUD Technical Guide for Determining Income and Allowances for the HOME Program

CC: Nancy Diamond, City Attorney

MEMORANDUM

To: Maurice Priest, President, Resident Owned Parks, Inc.

From: Larry Oetker, Deputy Director of Redevelopment Agency

Date: November 1, 2006

Subject: Sandpiper Mobile Home Park Documentation

Resident Owned Parks should provide the following documentation to The City of Arcata prior to close of escrow:

- Income verification for all residents currently residing at Sandpiper Mobile Home Park and Rent Roll with corresponding current and proposed rent levels
- Copies or documentation of letters sent to tenants providing information on rent increase, including expected date of increase and new rent amount
- Management Plan as outlined in Section 7 of the Regulatory Agreement. Attached is an example Management Plan for your reference
- Proof of Hazard and Liability Insurance
- Revised purchase and sales agreement for revised $650,000 from sellers

Attachment: Tax Credit Management Plan for The Courtyards at Arcata

RESIDENT OWNED PARKS, INC.
A Nonprofit Housing Corporation

RECEIVED
DEC 04 2006
COMMUNITY DEVELOPMENT
AND BUILDING

SANDPIPER PARK
MANAGEMENT PLAN

This Management Plan is prepared for the project described as follows:

NAME OF PROJECT:	SANDPIPER PARK
LOCATION:	115 G Street, Arcata, California
OWNER:	Resident Owned Parks, Inc., a California nonprofit housing corporation

1. THE ROLE AND RESPONSIBILITY OF THE OWNER AND ITS RELATION AND DELEGATION OF AUTHORITY TO THE MANAGING AGENT

A. Management of the Project will be performed by the Property Management Division of Resident Owned Parks, Inc. (ROP). The Owner, through its Property Management Division, will handle actual management of the property and assets.

B. The day-to-day operations of the Project will be supervised by the Resident Manager, an employee of the Owner, who will report directly to the Property Management Division (Managing Agent) of ROP.

C. The Property Management Division of ROP, as the Project Owner, supervises all aspects of property management of the Project and supervises all activities of the Resident Manager.

D. The Property Management Division of the Project Owner may make decisions on the day-to-day operation of the Project. Capital expenditures over $2,000 must be approved by the Owner. Because the Property Management Division of ROP is owned and controlled by the Project Owner, ROP, capital expenditures paid by the Property Management Division shall be deemed to have been made with the approval of the Owner.

E. The key person in the Owner's organization for contact is: Diane Priest, Vice President and Property Manager for ROP.

F. If a change occurs in the Management Agent, pursuant to the loan and/or regulatory agreement with the City of Arcata, or otherwise, the new Agent will be responsible for acquiring the records and files that belong to the Project. The departing Agent will cause said records and files and any other reports that are the property of the Project to be made available for the procurement of the new Managing Agent.

2. PERSONNEL POLICY AND STAFFING ARRANGEMENTS

A. All hiring will be in conformance with the Equal Employment Opportunity requirements. Employees will be hired on the basis of their qualifications and experience on an equal employment opportunity basis.

B. Due to the limited size of the Sandpiper Park Project, management staff will consist of a Resident Manager only. The Resident Manager will be supervised by the Property Management Division (Managing Agent) of ROP.

C. The lines of authority (in descending order):

(1) Project Owner, ROP

(2) Property Management Division of ROP as Managing Agent

(3) Resident Manager at Sandpiper Park

The Resident Manager shall be accountable to the Property Management Division of ROP. Employees of the Property Management Division and the Resident Manager will attend relevant training seminars as part of its ongoing program.

D. The Resident Manager position will include the duties of collection and depositing of rent payments, renting vacant spaces in accordance with the requirements of the regulatory agreement of the City of Arcata, enforcement of park rules and rental and lease agreements, operation and maintenance of all common areas of the park. The Resident Manager will be required to provide residents with 24-hour emergency service. In the absence of the Resident Manager, the property manager of ROP and/or its designee will be responsible for the Resident Manager's duties.

E. Training procedures for employees begins with familiarizing themselves with relevant regulations, including the Mobilehome Residency Law (Civil Code section 798 *et seq.*, Title 25 of California Codes and Regulations, and the Fair Housing provisions. After hiring the Resident Manager for this Project, the property manager will begin an onsite training program with the Resident Manager, reviewing all duties and procedures to be followed with respect to park management.

F. A Resident Manager will be employed by the Owner to provide onsite management of the Project. This manager will be responsible for accepting applications, maintaining the waiting list, showing units, renting units, collecting rents, overseeing enforcement of the rental agreements and park rules and regulations and performing park

common area maintenance in a timely manner. Office hours will be established by the property manager of ROP and will be posted in a conspicuous location at Sandpiper Park.

G. The property management fee and the Resident Manager's salary will be established and approved in accordance with the Project budget. The fee and salary shall be paid monthly.

3. MANAGEMENT TRAINING

A. The Management Agent (Property Management Division of ROP) shall maintain a very high level of proficiency and understanding of the Mobilehome Residency Law, Title 25, Civil Rights compliance, and other applicable laws. The management agent staff shall be trained with respect to applicable laws and the procedures to be followed. Periodic seminars and other training will be attended by staff when appropriate. Resident Manager shall be trained by Agent concerning issues and procedures that apply to the mobilehome park.

4. PLANS FOR ACCOUNTING, RECORD-KEEPING, AND REPORTING

A. The Management Agent will use accounting and record-keeping practices that are customary to the accounting industry. A CPA will audit all records annually.

B. The Resident Manager and Managing Agent will be responsible for assisting the Owner in the preparation and submission of all reports, monthly and/or annual.

C. The Managing Agent will establish and maintain a comprehensive system of records, books and accounts. All records, book and accounts will be subject to examination at reasonable hours by authorized agencies or persons. An audit performed by an independent CPA firm will be done at the end of the fiscal year. The tenant records will be kept onsite, in the Resident Manager's office, consisting of application for tenancy, mobilehome registration and titling, rental or lease agreements, signed park rules and regulations, pet policies, and other applicable documents. However, credit check and other personal financial information shall be maintained at the corporate offices of the Property Management Division of ROP in Sacramento. Information to be maintained at the Property Management Division of ROP in Sacramento will include annual income certifications from residents, credit checks, etc.

D. Accounting for the year's activities shall be reported to the Owner in accordance with the loan agreement. The accrual method of accounting will be used.

E. The Agent will prepare and submit the budget, periodic reports, and audit to the Owner and to agencies as required by the loan and regulatory agreements on the Project.

F. The Agent will cause the bills incurred by the Project to be paid not less than twice a month or upon their due date. At the end of each calendar month, the Agent will fund, from the general operating account, all accounts pursuant to requirements.

G. The Resident Manager, in cooperation with the Managing Agent, will solicit bids for services required at the Project. Actual contracts with contractors for services to be rendered

at the project will be signed only by the Property Management Division of ROP, not the Resident Manager. Items needed to be purchased that were not budgeted will require approval of the ownership.

H. An income and expense balance sheet will be produced each month, along with other financial reports as may be necessary, showing the financial position of the Project. These financial reports will be used by management as a tool to assure that cash flow is sufficient to cover operating expenses, deposits to reserves, and payments required on loans. Net cash flow will be determined after appropriate transfers to the reserve accounts. Computer-generated reports will be used for accounting and reporting requirements.

I. The Resident Manager will report to the Agent whenever a vacancy occurs for purposes of generating a tenant status report. Lost rents will be reported and reconciled each month on a reconciliation report and sent to the Agent.

J. Security deposits will be required from each new resident. The amount of the deposit shall not exceed two times the rent rate. The security deposits shall be kept in the Project's bank accounts, delineated as such, and refunds of such security deposits shall be paid in accordance with the Mobilehome Residency Law, Civil Code section 798 *et seq*.

5. PERIODIC UPDATE OF MANAGEMENT PLAN

A. At least annually, the Agent will review the Management Plan and determine if changes are needed. If the Agent and Owner determine that revision is required, the Agent will submit to the Owner a copy of the revised plan for review and approval.

6. SECURITY SERVICING

A. The Property Agent will assure that a Fidelity bond or employee dishonesty insurance is in place for each of the Owner's employees entrusted with funds in a principal sum which is at least equal to the gross potential income for two months and cash on hand and is conditioned to protect the Owner against the misappropriation of Project funds by the employee.

B. The Owner is responsible for knowing the insurance requirements. The Owner will inform the Agent of the insurance to be carried with respect to the Project and its operations, and insurance shall be maintained at all times. The Agent will pay premiums out of the general operating account and premiums will be treated as operating expenses. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interest appearing thereon as shall be acceptable to the Owner provided that the same will include public liability coverage, with the Agent designated as one of the insureds, in amounts acceptable to the Agents as well as the Owner, and in compliance with the loan and other regulatory agreements with the City of Arcata. The mortgagee shall be named as a loss payee and additional insured on the property insurance policy. The Agent will provide full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith.

7. PLANS AND PROCEDURES FOR MARKETING UNITS AND ACHIEVING AND MAINTAINING FULL OCCUPANCY IN THE GUIDELINES OF AFFIRMATIVE MARKETING

A. The Agent shall maintain a waiting list of individuals wishing to purchase homes and/or rent spaces at Sandpiper Park. In the event that a waiting list does not exist, the Agent and Resident Manager will contact the City of Arcata to determine if there is a list of qualified low-income persons whose tenancy at Sandpiper Park would meet the income eligibility requirements as stated in the loan and regulatory agreements with the City of Arcata.

B. The advertising for vacant units, if any, will comply fully with the Fair Housing provisions. Advertising for vacant spaces, if any, will be done in newspapers and other printed advertising media that have general circulation throughout the market area. Through advertising and other outreach efforts set forth in the Fair Housing Act, Agent will attempt to obtain an economic and racial mix. The advertisement efforts will run continuously until all vacant units and/or spaces have been filled with qualified persons. Both Owner and Management Agent shall at all times market vacant spaces and units in a manner which ensures equal access to all persons in any category protected by federal, state or local laws governing discrimination and regardless of any arbitrary factor, but in compliance with the loan and regulatory agreements of the City of Arcata.

C. This property includes four very low-income units, seven low-income units, and eleven moderate income units. Because Sandpiper Park already exists, and based upon the loan and regulatory agreements, this level of occupancy based upon income limitations shall be maintained at all times by the Managing Agent. An onsite office to take applications is available at the Project. Resident Manager's telephone number and that of the Managing Agent will be on a sign prominently displayed at the premises. Any person desiring to view the premises can phone the Resident Manager to schedule an appointment.

D. The waiting list used by the Resident Manager will be in chronological order of applications received. All prospective applicants will be provided a written list of all information required for a complete application. If no unit or space is available, tenants with completed applications will be placed in a date/time order on the waiting list. The information required by the applicants before they are put on the waiting list will be: (1) a completed application form; (2) credit information; (3) income information with backup documentation; and (4) prior and present housing information.

The waiting list will be purged periodically to keep the pool of prospective tenants current. Purging shall occur at least every six months. The Resident Manager will make every effort to contact the prospective tenant before his/her name is removed. The list will be maintained and kept by the Resident Manager with a copy sent to the Managing Agent in Sacramento.

E. An inspection move-in/move-out checklist will be made a part of the rental agreement. The tenant and Resident Manager shall keep copies of this inspection upon tenant's occupancy of the unit and when the tenant vacates the unit.

F. The Resident Manager is instructed to provide orientation services for each tenant. These services include showing each tenant all of the facilities of the Project and, where indicated, showing the tenant methods for using the laundry facilities or other common areas.

G. The Resident Manager is responsible for taking applications, including preliminary credit information. However, any and all financial information of the applicant shall be forwarded to the Managing Agent, who will perform the credit check and other personal financial evaluations. The acceptability of the tenants will be determined by the Managing Agent, not the Resident Manager.

H. Along with the orientation as listed under Item 7.F., the Resident Manager will review the rental agreement and/or lease, and park rules and regulations with a new tenant/homeowner.

I. Efforts to afford ease of accessibility for those with sight or hearing impairments will be made. Written communications and, when available, persons able to communicate in Sign Language will be utilized when dealing with the hearing impaired. Verbal communications will be used when dealing with those with sight impairments.

J. Reasonable accommodations to the Project that do not adversely effect other tenants will be made to help those suffering handicaps or disabilities that require adaptations.

However, with regard to Sandpiper Park, mobilehomes in the Project are privately owned by the homeowners who occupy them. Sandpiper Park provides only the site upon which the privately owned mobilehomes are situated. Therefore, if any adaptations are required for the home individually owned by that homeowner, the homeowner shall be responsible for such adaptations. The Resident Manager and Managing Agent will attempt to assist such disabled homeowners by inquiring of the City of Arcata whether funds are available to help defray costs of such adaptations within the privately owned residence.

8. PROCEDURES FOR DETERMINING TENANT ELIGIBILITY AND FOR CERTIFYING AND RE-CERTIFYING INCOMES

A. When the Resident Manager receives a complete application, the Resident Manager and the Managing Agent will obtain such further information to confirm third party, independent verification of income to assure that the prospective tenant's income does not exceed the applicable income limits in accordance with requirements to the City of Arcata. Additionally, a credit report will be obtained by the Managing Agent. When the aforementioned materials have been received, it will be determined that the applicant has provided a full and complete application. At that time, the applicant will be notified in writing whether they have been accepted for occupancy, rejected, or placed on a waiting list. Rejected applications will be accompanied by a letter from the Managing Agent stating the reason for the prospective tenant's ineligibility and mailed by first class mail. Tenant files, rejected applicant files, and a waiting list are maintained at the Project by the Resident Manager, as well as by the Managing Agent. Tenant files will contain the pertinent records relating to tenant eligibility and certification of eligibility; however, personal financial records are maintained only by the Managing Agent at its offices, and not by the Resident Manager.

B. The Resident Manager will be thoroughly trained in the areas of tenant eligibility, certification and re-certification. The Agent must obtain a re-certification of each tenant's income no later than during the twelfth month after the previous certification. The original tenant certification with management certification of income verifications will be maintained in the tenant file. The Agent will maintain an adequate record-keeping system of tenant certifications to assure the completion of the income verification. The Agent will provide training and testing to assure that the Resident Manager is prepared to carry out his or her duties to assist in this requirement.

C. The Resident Manager shall be responsible for that portion of certification and re-certification as determined and designated by the Managing Agent.

D. In the determination of which space an eligible tenant shall occupy, the household size of the family shall be taken into account to assure that the minimum occupancy standards specified in the HOME regulations, if applicable, shall not be violated.

9. TENANT ADMISSION POLICY AND RENTAL POLICY

A. The Resident Manager will maintain and update a waiting list of eligible prospective tenants. The advertising procedures, if any, outlined earlier will be utilized to attract prospective tenants to be included on the waiting list. The marketing efforts shall be sufficient to maintain a waiting list that will handle the turnover of tenants on a continuous basis. Those prospective tenants will be contacted in date order of receipt of application by the Resident Manager when it is anticipated that the opportunity to occupy will come up within the next 30 to 60 days. To permit continued compliance with the loan and regulatory agreements with the City of Arcata, applicants with incomes that exceed limits allowable pursuant to the regulatory agreement shall not be permitted occupancy.

B. Park rules and regulations are part of the tenant rental agreement and/or lease, and available in the rental office at the Project. The park rules and regulations shall be reasonably enforced as to all tenants within the Project.

C. Every effort will be made to provide help for those tenants/homeowners who do not speak or read the English language with rental agreements/leases and park rules and regulations in their language or through the use of an interpreter, if available.

10. RENT COLLECTION POLICIES AND PROCEDURES

A. Rental payments are to be made at the rental office to the Resident Manager. If the Resident Manager is unavailable, the tenants will be instructed to pay their rent by depositing their checks in the Resident Manager's mail slot. Partial payments shall not be accepted. Any late charges shall be levied in an amount in accordance with state law.

Rents are due on the first day of the month and are payable in advance. There is a statutory grace period of five (5) days pursuant to state law. When rents are not received on or

before expiration of the grace period, rent collection and eviction procedures will be followed as set forth by law.

B. The Resident Manager is responsible for collection and issuance of rent receipts.

C. Office hours will be posted at the Project rental office. Rents can be deposited through the mail slot of the office door, in which case the rent receipt shall be made available to the tenant on the following day. Rent must be paid by check or money order. Rents shall be deposited on a daily basis by the Resident Manager.

D. All rent payments will be adequately recorded and will be kept in a separate account for the Project. The account will be designated as the Project Operating Account and it will be deposited in a bank insured by the Federal Deposit Insurance Corporation. The Resident Manager will follow up on any late payments. Consistent late payment may be cause for eviction in accordance with state law.

E. Eviction policies will be instituted according to state and local laws.

11. PROCEDURES FOR REQUESTING AND IMPLEMENTING A RENTAL INCREASE

A. Space rents at Sandpiper Park will be adjusted annually.

B. Notice of rental increases shall be made in accordance with state law.

12. PLANS FOR TENANT-MANAGEMENT RELATIONS

A. Before renting a vacant mobilehome space, the tenant will be shown through the entire Project and the Resident Manager will instruct the tenant in the use of all common area facilities. All tenants shall be required to execute a written rental agreement/lease. A rental agreement and lease will be used which in language understood by the tenant.

B. In order to ensure good tenant relations, every effort will be made to handle complaints or requests promptly.

C. If the security deposit is insufficient to cover the costs of the damages and unpaid rent, the Managing Agent will seek judgment through the judicial system. The Managing Agent will pursue all necessary means to execute the judgment.

D. Tenants shall be informed of any and all emergency procedures and safety procedures with regard to common area buildings. Instructions shall be given to tenants regarding the use of smoke detectors and fire extinguishers. Tenants shall be advised of appropriate emergency service numbers to call in the community in the event of an emergency.

13. TERMINATION OF RENTAL AGREEMENTS/LEASES, AND EVICTIONS

A. The Managing Agent and the Resident Manager shall be knowledgeable regarding the Mobilehome Residency Law, Civil Code section 798 *et seq.*, and local laws regarding termination of tenancies within Sandpiper Park and proper eviction procedures, plus the requirements of the park rules and regulations, which are given to each tenant.

B. The Resident Manager will be responsible for keeping an inventory of all common area appliances and obtaining necessary services on appliances and mechanical equipment in the common areas. It will be the duty of the Resident Manager to check the operating condition of all appliances in park common areas. Tenant must notify management of any malfunction of which they become aware.

C. Maintenance of all common area amenities will be done as needed. Preventative maintenance will be planned and performed on a yearly basis.

D. Garbage and trash removal will be handled on a regular basis by an established garbage service.

E. The Resident Manager will obtain bids for performance of all repairs, and such bids will be submitted to the Managing Agent for review and determination. Only the Managing Agent can authorize work to be performed and enter into contract with licensed contractors or others rendering services.

F. The upkeep of the grounds and ordinary maintenance work will be performed by the Resident Manager and maintenance personnel, if any, which includes maintenance of lawns, sprinklers, trees, shrubs and lawn care.

G. Common areas will be cleaned by the Resident Manager so that they are properly maintained at all times.

H. The Project will be provided with outside lighting for the security of the tenants. Fire extinguishers are in the laundry room and rental office and elsewhere as required by code. Homeowner tenants are responsible for the installation of smoke detectors in their own privately-owned mobilehomes.

I. The plans for preventative maintenance in the Project include regular inspections of the Project grounds and common area buildings by the Resident Manager. The Resident Manager is responsible for daily onsite maintenance.

J. Supplies are ordered by the Resident Manager with approval of the Managing Agent. A running inventory list is kept onsite.

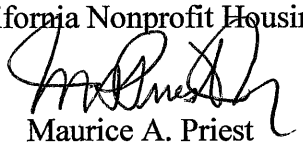
K. A warranty book will be maintained by the Managing Agent with the names, addresses and telephone numbers of the contractors and subcontractors that worked on the construction of the Project.

14. PROCEDURES FOR PROVIDING SUPPLEMENTAL SERVICES

A. Laundry machines shall be provided by the Owner of the Project. The Owner shall provide for necessary maintenance of the machines to assure their proper function and availability to residents of the Project.

IN WITNESS WHEREOF, we hereby execute this Plan.

OWNER
Resident Owned Parks, Inc.
A California Nonprofit Housing Corporation

By: 
Maurice A. Priest

Title: President

Date: November 30, 2006

Inspection Checklist
Housing Choice Voucher Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 07/31/2007)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This collection of information is authorized under Section 8 of the U.S. Housing Act of l937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

Name of Family	Tenant ID Number	Date of Request (mm/dd/yyyy)
Inspector	**Neighborhood/Census Tract**	**Date of Inspection (mm/dd/yyyy)**

Type of Inspection	Date of Last Inspection (mm/dd/yyyy)	PHA
☐ Initial ☐ Special ☐ Reinspection		

A. General Information

Inspected Unit **Year Constructed (yyyy)**

Full Address (including Street, City, County, State, Zip)

Number of Children in Family Under 6

Owner

Name of Owner or Agent Authorized to Lease Unit Inspected | Phone Number

Address of Owner or Agent

Housing Type (check as appropriate)
- ☐ Single Family Detached
- ☐ Duplex or Two Family
- ☐ Row House or Town House
- ☐ Low Rise: 3, 4 Stories, IncludingGarden Apartment
- ☐ High Rise; 5 or More Stories
- ☐ Manufactured Home
- ☐ Congregate
- ☐ Cooperative
- ☐ Independent Group Residence
- ☐ Single Room Occupancy
- ☐ Shared Housing
- ☐ Other

B. Summary Decision On Unit (To be completed after form has been filled out)

☐ Pass ☐ Fail ☐ Inconclusive	Number of Bedrooms for Purposes of the FMR or Payment Standard	Number of Sleeping Rooms	

Inspection Checklist

Item No.	1. Living Room	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1.1	Living Room Present					
1.2	Electricity					
1.3	Electrical Hazards					
1.4	Security					
1.5	Window Condition					
1.6	Ceiling Condition					
1.7	Wall Condition					
1.8	Floor Condition					

* Room Codes: 1 = Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 = Dining Room or Dining Area; 3 = Second Living Room, Family Room, Den, Playroom, TV Room; 4 = Entrance Halls, Corridors, Halls, Staircases; 5 = Additional Bathroom; 6 = Other

Item No.	1. Living Room (Continued)	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
	2. Kitchen					
2.1	Kitchen Area Present					
2.2	Electricity					
2.3	Electrical Hazards					
2.4	Security					
2.5	Window Condition					
2.6	Ceiling Condition					
2.7	Wall Condition					
2.8	Floor Condition					
2.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
2.10	Stove or Range with Oven					
2.11	Refrigerator					
2.12	Sink					
2.13	Space for Storage, Preparation, and Serving of Food					
	3. Bathroom					
3.1	Bathroom Present					
3.2	Electricity					
3.3	Electrical Hazards					
3.4	Security					
3.5	Window Condition					
3.6	Ceiling Condition					
3.7	Wall Condition					
3.8	Floor Condition					
3.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
3.10	Flush Toilet in Enclosed Room in Unit					
3.11	Fixed Wash Basin or Lavatory in Unit					
3.12	Tub or Shower in Unit					
3.13	Ventilation					

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location ☐	(Circle One) Right/Center/Left			(Circle One) ont/Center/Rear ____Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
4.10	Smoke Detectors					
4.1	Room Code* and Room Location ☐	(Circle One) Right/Center/L			(Circle One) Front/Center/Rear ____Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
4.10	Smoke Detectors					
4.1	Room Code* and Room Location ☐	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear ____Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
4.10	Smoke Detectors					

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location ☐	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear ____Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
4.10	Smoke Detectors					
4.1	Room Code* and Room Location ☐	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear ____Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
4.10	Smoke Detectors					
	5. All Secondary Rooms (Rooms not used for living)					
5.1	None Go to Part 6					
5.2	Security					
5.3	Electrical Hazards					
5.4	Other Potentially Hazardous Features in these Rooms					

Item No.	6. Building Exterior	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
6.1	Condition of Foundation					
6.2	Condition of Stairs, Rails, and Porches					
6.3	Condition of Roof/Gutters					
6.4	Condition of Exterior Surfaces					
6.5	Condition of Chimney					
6.6	Lead Paint: Exterior Surfaces Are all painted surfaces free of deteriorated paint?				☐ Not Applicable	
	If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area?					
6.7	Manufactured Home: Tie Downs					
	7. Heating and Plumbing					
7.1	Adequacy of Heating Equipment					
7.2	Safety of Heating Equipment					
7.3	Ventilation/Cooling					
7.4	Water Heater					
7.5	Approvable Water Supply					
7.6	Plumbing					
7.7	Sewer Connection					
	8. General Health and Safety					
8.1	Access to Unit					
8.2	Fire Exits					
8.3	Evidence of Infestation					
8.4	Garbage and Debris					
8.5	Refuse Disposal					
8.6	Interior Stairs and Commom Halls					
8.7	Other Interior Hazards					
8.8	Elevators					
8.9	Interior Air Quality					
8.10	Site and Neighborhood Conditions					
8.11	Lead-Based Paint: Owner's Certification				☐ Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead-Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

C. Special Amenities (Optional)

This Section is for optional use of the HA. It is designed to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may wish to take them into consideration in decisions about renting the unit and the reasonableness of the rent.
Check/list any positive features found in relation to the unit.

1. Living Room

- ☐ High quality floors or wall coverings
- ☐ Working fireplace or stove
- ☐ Balcony, patio, deck, porch
- ☐ Special windows or doors
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

2. Kitchen

- ☐ Dishwasher
- ☐ Separate freezer
- ☐ Garbage disposal
- ☐ Eating counter/breakfast nook
- ☐ Pantry or abundant shelving or cabinets
- ☐ Double oven/self cleaning oven, microwave
- ☐ Double sink
- ☐ High quality cabinets
- ☐ Abundant counter-top space
- ☐ Modern appliance(s)
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

3. Other Rooms Used for Living

- ☐ High quality floors or wall coverings
- ☐ Working fireplace or stove
- ☐ Balcony, patio, deck, porch
- ☐ Special windows or doors
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

4. Bath

- ☐ Special feature shower head
- ☐ Built-in heat lamp
- ☐ Large mirrors
- ☐ Glass door on shower/tub
- ☐ Separate dressing room
- ☐ Double sink or special lavatory
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

5. Overall Characteristics

- ☐ Storm windows and doors
- ☐ Other forms of weatherization (e.g., insulation, weather stripping)
- ☐ Screen doors or windows
- ☐ Good upkeep of grounds (i.e., site cleanliness, landscaping, condition of lawn)
- ☐ Garage or parking facilities
- ☐ Driveway
- ☐ Large yard
- ☐ Good maintenance of building exterior
- ☐ Other: (Specify)

6. Disabled Accessibility

Unit is accessible to a particular disability. ☐ Yes ☐ No

Disability _____

D. Questions to ask the Tenant (Optional)

1. Does the owner make repairs when asked? Yes ☐ No ☐
2. How many people live there? _____
3. How much money do you pay to the owner/agent for rent? $ _____
4. Do you pay for anything else? (specify) _____
5. Who owns the range and refrigerator? (insert O = Owner or T = Tenant) Range _____ Refrigerator _____ Microwave _____
6. Is there anything else you want to tell us? (specify) Yes ☐ No ☐

E. Inspection Summary/Comments (Optional)

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Tenant ID Number	Inspector	Date of Inspection (mm/dd/yyyy)	Address of Inspected Unit

Type of Inspection Initial ☐ Special ☐ Reinspection ☐

Item Number	Reason for "Fail" or "Pass with Comments" Rating

Continued on additional page ☐ Yes ☐ No

SANDPIPER PARK
MANAGEMENT PLAN

This Management Plan is prepared for the project described as follows:

NAME OF PROJECT:	SANDPIPER PARK
LOCATION:	115 G Street, Arcata, California
OWNER:	Resident Owned Parks, Inc., a California nonprofit housing corporation

1. THE ROLE AND RESPONSIBILITY OF THE OWNER AND ITS RELATION AND DELEGATION OF AUTHORITY TO THE MANAGING AGENT

A. Management of the Project will be performed by the Property Management Division of Resident Owned Parks, Inc. (ROP). The Owner, through its Property Management Division, will handle actual management of the property and assets.

B. The day-to-day operations of the Project will be supervised by the Resident Manager, an employee of the Owner, who will report directly to the Property Management Division (Managing Agent) of ROP.

C. The Property Management Division of ROP, as the Project Owner, supervises all aspects of property management of the Project and supervises all activities of the Resident Manager.

D. The Property Management Division of the Project Owner may make decisions on the day-to-day operation of the Project. Capital expenditures over $2,000 must be approved by the Owner. Because the Property Management Division of ROP is owned and controlled by the Project Owner, ROP, capital expenditures paid by the Property Management Division shall be deemed to have been made with the approval of the Owner.

E. The key person in the Owner's organization for contact is: Diane Priest, Vice President and Property Manager for ROP.

F. If a change occurs in the Management Agent, pursuant to the loan and/or regulatory agreement with the City of Arcata, or otherwise, the new Agent will be responsible for acquiring the records and files that belong to the Project. The departing Agent will cause said records and files and any other reports that are the property of the Project to be made available for the procurement of the new Managing Agent.

2. PERSONNEL POLICY AND STAFFING ARRANGEMENTS

A. All hiring will be in conformance with the Equal Employment Opportunity requirements. Employees will be hired on the basis of their qualifications and experience on an equal employment opportunity basis.

B. Due to the limited size of the Sandpiper Park Project, management staff will consist of a Resident Manager only. The Resident Manager will be supervised by the Property Management Division (Managing Agent) of ROP.

C. The lines of authority (in descending order):

(1) Project Owner, ROP

(2) Property Management Division of ROP as Managing Agent

(3) Resident Manager at Sandpiper Park

The Resident Manager shall be accountable to the Property Management Division of ROP. Employees of the Property Management Division and the Resident Manager will attend relevant training seminars as part of its ongoing program.

D. The Resident Manager position will include the duties of collection and depositing of rent payments, renting vacant spaces in accordance with the requirements of the regulatory agreement of the City of Arcata, enforcement of park rules and rental and lease agreements, operation and maintenance of all common areas of the park. The Resident Manager will be required to provide residents with 24-hour emergency service. In the absence of the Resident Manager, the property manager of ROP and/or its designee will be responsible for the Resident Manager's duties.

E. Training procedures for employees begins with familiarizing themselves with relevant regulations, including the Mobilehome Residency Law (Civil Code section 798 *et seq.*, Title 25 of California Codes and Regulations, and the Fair Housing provisions. After hiring the Resident Manager for this Project, the property manager will begin an onsite training program with the Resident Manager, reviewing all duties and procedures to be followed with respect to park management.

F. A Resident Manager will be employed by the Owner to provide onsite management of the Project. This manager will be responsible for accepting applications, maintaining the waiting list, showing units, renting units, collecting rents, overseeing enforcement of the rental agreements and park rules and regulations and performing park

common area maintenance in a timely manner. Office hours will be established by the property manager of ROP and will be posted in a conspicuous location at Sandpiper Park.

G. The property management fee and the Resident Manager's salary will be established and approved in accordance with the Project budget. The fee and salary shall be paid monthly.

3. MANAGEMENT TRAINING

A. The Management Agent (Property Management Division of ROP) shall maintain a very high level of proficiency and understanding of the Mobilehome Residency Law, Title 25, Civil Rights compliance, and other applicable laws. The management agent staff shall be trained with respect to applicable laws and the procedures to be followed. Periodic seminars and other training will be attended by staff when appropriate. Resident Manager shall be trained by Agent concerning issues and procedures that apply to the mobilehome park.

4. PLANS FOR ACCOUNTING, RECORD-KEEPING, AND REPORTING

A. The Management Agent will use accounting and record-keeping practices that are customary to the accounting industry. A CPA will audit all records annually.

B. The Resident Manager and Managing Agent will be responsible for assisting the Owner in the preparation and submission of all reports, monthly and/or annual.

C. The Managing Agent will establish and maintain a comprehensive system of records, books and accounts. All records, book and accounts will be subject to examination at reasonable hours by authorized agencies or persons. An audit performed by an independent CPA firm will be done at the end of the fiscal year. The tenant records will be kept onsite, in the Resident Manager's office, consisting of application for tenancy, mobilehome registration and titling, rental or lease agreements, signed park rules and regulations, pet policies, and other applicable documents. However, credit check and other personal financial information shall be maintained at the corporate offices of the Property Management Division of ROP in Sacramento. Information to be maintained at the Property Management Division of ROP in Sacramento will include annual income certifications from residents, credit checks, etc.

D. Accounting for the year's activities shall be reported to the Owner in accordance with the loan agreement. The accrual method of accounting will be used.

E. The Agent will prepare and submit the budget, periodic reports, and audit to the Owner and to agencies as required by the loan and regulatory agreements on the Project.

F. The Agent will cause the bills incurred by the Project to be paid not less than twice a month or upon their due date. At the end of each calendar month, the Agent will fund, from the general operating account, all accounts pursuant to requirements.

G. The Resident Manager, in cooperation with the Managing Agent, will solicit bids for services required at the Project. Actual contracts with contractors for services to be rendered

at the project will be signed only by the Property Management Division of ROP, not the Resident Manager. Items needed to be purchased that were not budgeted will require approval of the ownership.

H. An income and expense balance sheet will be produced each month, along with other financial reports as may be necessary, showing the financial position of the Project. These financial reports will be used by management as a tool to assure that cash flow is sufficient to cover operating expenses, deposits to reserves, and payments required on loans. Net cash flow will be determined after appropriate transfers to the reserve accounts. Computer-generated reports will be used for accounting and reporting requirements.

I. The Resident Manager will report to the Agent whenever a vacancy occurs for purposes of generating a tenant status report. Lost rents will be reported and reconciled each month on a reconciliation report and sent to the Agent.

J. Security deposits will be required from each new resident. The amount of the deposit shall not exceed two times the rent rate. The security deposits shall be kept in the Project's bank accounts, delineated as such, and refunds of such security deposits shall be paid in accordance with the Mobilehome Residency Law, Civil Code section 798 *et seq*.

5. PERIODIC UPDATE OF MANAGEMENT PLAN

A. At least annually, the Agent will review the Management Plan and determine if changes are needed. If the Agent and Owner determine that revision is required, the Agent will submit to the Owner a copy of the revised plan for review and approval.

6. SECURITY SERVICING

A. The Property Agent will assure that a Fidelity bond or employee dishonesty insurance is in place for each of the Owner's employees entrusted with funds in a principal sum which is at least equal to the gross potential income for two months and cash on hand and is conditioned to protect the Owner against the misappropriation of Project funds by the employee.

B. The Owner is responsible for knowing the insurance requirements. The Owner will inform the Agent of the insurance to be carried with respect to the Project and its operations, and insurance shall be maintained at all times. The Agent will pay premiums out of the general operating account and premiums will be treated as operating expenses. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interest appearing thereon as shall be acceptable to the Owner provided that the same will include public liability coverage, with the Agent designated as one of the insureds, in amounts acceptable to the Agents as well as the Owner, and in compliance with the loan and other regulatory agreements with the City of Arcata. The mortgagee shall be named as a loss payee and additional insured on the property insurance policy. The Agent will provide full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith.

7. PLANS AND PROCEDURES FOR MARKETING UNITS AND ACHIEVING AND MAINTAINING FULL OCCUPANCY IN THE GUIDELINES OF AFFIRMATIVE MARKETING

A. The Agent shall maintain a waiting list of individuals wishing to purchase homes and/or rent spaces at Sandpiper Park. In the event that a waiting list does not exist, the Agent and Resident Manager will contact the City of Arcata to determine if there is a list of qualified low-income persons whose tenancy at Sandpiper Park would meet the income eligibility requirements as stated in the loan and regulatory agreements with the City of Arcata.

B. The advertising for vacant units, if any, will comply fully with the Fair Housing provisions. Advertising for vacant spaces, if any, will be done in newspapers and other printed advertising media that have general circulation throughout the market area. Through advertising and other outreach efforts set forth in the Fair Housing Act, Agent will attempt to obtain an economic and racial mix. The advertisement efforts will run continuously until all vacant units and/or spaces have been filled with qualified persons. Both Owner and Management Agent shall at all times market vacant spaces and units in a manner which ensures equal access to all persons in any category protected by federal, state or local laws governing discrimination and regardless of any arbitrary factor, but in compliance with the loan and regulatory agreements of the City of Arcata.

C. This property includes four very low-income units, seven low-income units, and eleven moderate income units. Because Sandpiper Park already exists, and based upon the loan and regulatory agreements, this level of occupancy based upon income limitations shall be maintained at all times by the Managing Agent. An onsite office to take applications is available at the Project. Resident Manager's telephone number and that of the Managing Agent will be on a sign prominently displayed at the premises. Any person desiring to view the premises can phone the Resident Manager to schedule an appointment.

D. The waiting list used by the Resident Manager will be in chronological order of applications received. All prospective applicants will be provided a written list of all information required for a complete application. If no unit or space is available, tenants with completed applications will be placed in a date/time order on the waiting list. The information required by the applicants before they are put on the waiting list will be: (1) a completed application form; (2) credit information; (3) income information with backup documentation; and (4) prior and present housing information.

The waiting list will be purged periodically to keep the pool of prospective tenants current. Purging shall occur at least every six months. The Resident Manager will make every effort to contact the prospective tenant before his/her name is removed. The list will be maintained and kept by the Resident Manager with a copy sent to the Managing Agent in Sacramento.

E. An inspection move-in/move-out checklist will be made a part of the rental agreement. The tenant and Resident Manager shall keep copies of this inspection upon tenant's occupancy of the unit and when the tenant vacates the unit.

F. The Resident Manager is instructed to provide orientation services for each tenant. These services include showing each tenant all of the facilities of the Project and, where indicated, showing the tenant methods for using the laundry facilities or other common areas.

G. The Resident Manager is responsible for taking applications, including preliminary credit information. However, any and all financial information of the applicant shall be forwarded to the Managing Agent, who will perform the credit check and other personal financial evaluations. The acceptability of the tenants will be determined by the Managing Agent, not the Resident Manager.

H. Along with the orientation as listed under Item 7.F., the Resident Manager will review the rental agreement and/or lease, and park rules and regulations with a new tenant/homeowner.

I. Efforts to afford ease of accessibility for those with sight or hearing impairments will be made. Written communications and, when available, persons able to communicate in Sign Language will be utilized when dealing with the hearing impaired. Verbal communications will be used when dealing with those with sight impairments.

J. Reasonable accommodations to the Project that do not adversely effect other tenants will be made to help those suffering handicaps or disabilities that require adaptations.

However, with regard to Sandpiper Park, mobilehomes in the Project are privately owned by the homeowners who occupy them. Sandpiper Park provides only the site upon which the privately owned mobilehomes are situated. Therefore, if any adaptations are required for the home individually owned by that homeowner, the homeowner shall be responsible for such adaptations. The Resident Manager and Managing Agent will attempt to assist such disabled homeowners by inquiring of the City of Arcata whether funds are available to help defray costs of such adaptations within the privately owned residence.

8. PROCEDURES FOR DETERMINING TENANT ELIGIBILITY AND FOR CERTIFYING AND RE-CERTIFYING INCOMES

A. When the Resident Manager receives a complete application, the Resident Manager and the Managing Agent will obtain such further information to confirm third party, independent verification of income to assure that the prospective tenant's income does not exceed the applicable income limits in accordance with requirements to the City of Arcata. Additionally, a credit report will be obtained by the Managing Agent. When the aforementioned materials have been received, it will be determined that the applicant has provided a full and complete application. At that time, the applicant will be notified in writing whether they have been accepted for occupancy, rejected, or placed on a waiting list. Rejected applications will be accompanied by a letter from the Managing Agent stating the reason for the prospective tenant's ineligibility and mailed by first class mail. Tenant files, rejected applicant files, and a waiting list are maintained at the Project by the Resident Manager, as well as by the Managing Agent. Tenant files will contain the pertinent records relating to tenant eligibility and certification of eligibility; however, personal financial records are maintained only by the Managing Agent at its offices, and not by the Resident Manager.

B. The Resident Manager will be thoroughly trained in the areas of tenant eligibility, certification and re-certification. The Agent must obtain a re-certification of each tenant's income no later than during the twelfth month after the previous certification. The original tenant certification with management certification of income verifications will be maintained in the tenant file. The Agent will maintain an adequate record-keeping system of tenant certifications to assure the completion of the income verification. The Agent will provide training and testing to assure that the Resident Manager is prepared to carry out his or her duties to assist in this requirement.

C. The Resident Manager shall be responsible for that portion of certification and re-certification as determined and designated by the Managing Agent.

D. In the determination of which space an eligible tenant shall occupy, the household size of the family shall be taken into account to assure that the minimum occupancy standards specified in the HOME regulations, if applicable, shall not be violated.

9. TENANT ADMISSION POLICY AND RENTAL POLICY

A. The Resident Manager will maintain and update a waiting list of eligible prospective tenants. The advertising procedures, if any, outlined earlier will be utilized to attract prospective tenants to be included on the waiting list. The marketing efforts shall be sufficient to maintain a waiting list that will handle the turnover of tenants on a continuous basis. Those prospective tenants will be contacted in date order of receipt of application by the Resident Manager when it is anticipated that the opportunity to occupy will come up within the next 30 to 60 days. To permit continued compliance with the loan and regulatory agreements with the City of Arcata, applicants with incomes that exceed limits allowable pursuant to the regulatory agreement shall not be permitted occupancy.

B. Park rules and regulations are part of the tenant rental agreement and/or lease, and available in the rental office at the Project. The park rules and regulations shall be reasonably enforced as to all tenants within the Project.

C. Every effort will be made to provide help for those tenants/homeowners who do not speak or read the English language with rental agreements/leases and park rules and regulations in their language or through the use of an interpreter, if available.

10. RENT COLLECTION POLICIES AND PROCEDURES

A. Rental payments are to be made at the rental office to the Resident Manager. If the Resident Manager is unavailable, the tenants will be instructed to pay their rent by depositing their checks in the Resident Manager's mail slot. Partial payments shall not be accepted. Any late charges shall be levied in an amount in accordance with state law.

Rents are due on the first day of the month and are payable in advance. There is a statutory grace period of five (5) days pursuant to state law. When rents are not received on or

before expiration of the grace period, rent collection and eviction procedures will be followed as set forth by law.

B. The Resident Manager is responsible for collection and issuance of rent receipts.

C. Office hours will be posted at the Project rental office. Rents can be deposited through the mail slot of the office door, in which case the rent receipt shall be made available to the tenant on the following day. Rent must be paid by check or money order. Rents shall be deposited on a daily basis by the Resident Manager.

D. All rent payments will be adequately recorded and will be kept in a separate account for the Project. The account will be designated as the Project Operating Account and it will be deposited in a bank insured by the Federal Deposit Insurance Corporation. The Resident Manager will follow up on any late payments. Consistent late payment may be cause for eviction in accordance with state law.

E. Eviction policies will be instituted according to state and local laws.

11. PROCEDURES FOR REQUESTING AND IMPLEMENTING A RENTAL INCREASE

A. Space rents at Sandpiper Park will be adjusted annually.

B. Notice of rental increases shall be made in accordance with state law.

12. PLANS FOR TENANT-MANAGEMENT RELATIONS

A. Before renting a vacant mobilehome space, the tenant will be shown through the entire Project and the Resident Manager will instruct the tenant in the use of all common area facilities. All tenants shall be required to execute a written rental agreement/lease. A rental agreement and lease will be used which in language understood by the tenant.

B. In order to ensure good tenant relations, every effort will be made to handle complaints or requests promptly.

C. If the security deposit is insufficient to cover the costs of the damages and unpaid rent, the Managing Agent will seek judgment through the judicial system. The Managing Agent will pursue all necessary means to execute the judgment.

D. Tenants shall be informed of any and all emergency procedures and safety procedures with regard to common area buildings. Instructions shall be given to tenants regarding the use of smoke detectors and fire extinguishers. Tenants shall be advised of appropriate emergency service numbers to call in the community in the event of an emergency.

13. TERMINATION OF RENTAL AGREEMENTS/LEASES, AND EVICTIONS

A. The Managing Agent and the Resident Manager shall be knowledgeable regarding the Mobilehome Residency Law, Civil Code section 798 *et seq.*, and local laws regarding termination of tenancies within Sandpiper Park and proper eviction procedures, plus the requirements of the park rules and regulations, which are given to each tenant.

B. The Resident Manager will be responsible for keeping an inventory of all common area appliances and obtaining necessary services on appliances and mechanical equipment in the common areas. It will be the duty of the Resident Manager to check the operating condition of all appliances in park common areas. Tenant must notify management of any malfunction of which they become aware.

C. Maintenance of all common area amenities will be done as needed. Preventative maintenance will be planned and performed on a yearly basis.

D. Garbage and trash removal will be handled on a regular basis by an established garbage service.

E. The Resident Manager will obtain bids for performance of all repairs, and such bids will be submitted to the Managing Agent for review and determination. Only the Managing Agent can authorize work to be performed and enter into contract with licensed contractors or others rendering services.

F. The upkeep of the grounds and ordinary maintenance work will be performed by the Resident Manager and maintenance personnel, if any, which includes maintenance of lawns, sprinklers, trees, shrubs and lawn care.

G. Common areas will be cleaned by the Resident Manager so that they are properly maintained at all times.

H. The Project will be provided with outside lighting for the security of the tenants. Fire extinguishers are in the laundry room and rental office and elsewhere as required by code. Homeowner tenants are responsible for the installation of smoke detectors in their own privately-owned mobilehomes.

I. The plans for preventative maintenance in the Project include regular inspections of the Project grounds and common area buildings by the Resident Manager. The Resident Manager is responsible for daily onsite maintenance.

J. Supplies are ordered by the Resident Manager with approval of the Managing Agent. A running inventory list is kept onsite.

K. A warranty book will be maintained by the Managing Agent with the names, addresses and telephone numbers of the contractors and subcontractors that worked on the construction of the Project.

14. PROCEDURES FOR PROVIDING SUPPLEMENTAL SERVICES

A. Laundry machines shall be provided by the Owner of the Project. The Owner shall provide for necessary maintenance of the machines to assure their proper function and availability to residents of the Project.

IN WITNESS WHEREOF, we hereby execute this Plan.

OWNER
Resident Owned Parks, Inc.
A California Nonprofit Housing Corporation

By:
Maurice A. Priest

Title: President

Date: November 30, 2006

COASTAL DEVELOPMENT PERMIT

IMPORTANT: THIS PERMIT IS NOT VALID UNLESS AND UNTIL A COPY OF THE PERMIT WITH THE SIGNED ACKNOWLEDGMENT HAS BEEN RETURNED TO THE COMMISSION OFFICE. 14 Cal. Admin. Code Section 13158(a).

President Resident Board Parks

4/2/12
Date

Director of Community Development
Signature of Permittee

STANDARD CONDITIONS:

1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.

2. **Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.

3. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.

4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

SPECIAL CONDITIONS:

1. **Minimization of Geologic Hazards**

   A. All recommendations of the geologic hazard report titled "Soils and Foundation Report, Sandpiper Mobile Home Park, 115 South G Street, Arcata, California, Assessor's Parcel Number 503-224-46," prepared for Winzler & Kelly by LACO Associates and dated May 13, 2010 shall be adhered to including recommendations for (i) foundation design specifying the use of isolated pier foundations for the manufactured homes and the use of a shallow foundation design consisting of a structural mat supported on a 2.0-foot-thick minimum section of controlled structural fill for wood frame structures (Option 1), (ii) moisture control for concrete slab foundations,(iii) allowable soil bearing pressure, (iv) seismic design parameters, (v) site preparation, (vi) temporary excavations, (vii) subgrade preparation, (viii)

City of ARCATA

City Manager	Environmental Services	Police	Recreation
(707) 822-5953	822-8184	822-2428	822-7091
Community Development	Finance	Public Works	Transportation
822-5955	822-5951	822-5957	822-3775

736 F Street
Arcata, CA 95521

April 5, 2012

California Coastal Commission
North Coast District Office
ATTN: Robert Merrill
710 E Street, Suite 200
Eureka, CA 95501

FILE COPY

RE: Sandpiper Coastal Development Permit No. 1-10-028

Mr. Merrill:

Please find enclosed the signed copy of the Coastal Development Permit pursuant to your instructions. The City of Arcata and Resident Owned Parks appreciates your assistance in obtaining the required permit. We look forward to providing affordable housing units for our community.

Please contact us if you have any questions or comments regarding the mobile home park rehabilitation project (707-825-2139), or e-mail at jmateer@cityofarcata.org.

Sincerely,

Joe Mateer, Senior Planner
City of Arcata – Community Development Department
736 F Street
Arcata, CA 95521

Copy: Resident Owned Parks (Page 2 only)

CALIFORNIA COASTAL COMMISSION
NORTH COAST DISTRICT OFFICE
710 E STREET • SUITE 200
EUREKA, CA 95501-6813
VOICE (707) 445-7833
FACSIMILE (707) 445-7877

RECEIVED
MAR 28 2012
COMMUNITY DEVELOPMENT
AND BUILDING

March 27, 2012

Joe Mateer, Senior Planner
Community Development Department
736 F Street
Arcata, CA 95521

SUBJECT: Issuance of Coastal Development Permit No 1-10-028 (City of Arcata & Resident Owned Parks, Inc. for Rehabilitation of Sandpiper Mobile Home Park at 115 South G Street, Arcata

Dear Joe:

On August 12, 2011, the Coastal Commission granted Permit No 1-10-028 with conditions to the City of Arcata and Resident Owned Parks, Inc for the above referenced project. We previously sent you the Notice of Intent (NOI) to issue the permit pending the applicants' compliance with certain special conditions that needed to be satisfied prior to issuance of the permit. The conditions that needed to be satisfied prior to issuance of the permit included Special Condition Nos. 1, 2, 3, 4, 5, and 6. Since issuance of NOI, we have received and reviewed various materials submitted on behalf of the applicants to address these conditions and we have determined that the requirements of these six conditions have now been satisfied. Therefore, we are issuing the permit.

The original and two copies of Coastal Development Permit No. 1-10-028 are enclosed. Please have authorized representatives of both the City of Arcata and Resident Owned Parks, Inc. sign the original and forward it to our Eureka office. Both applicants should retain one of the copies for their respective records. Once we have received the signed original, the permit will be fully effective.

Thank you and other from the City staff for all of your assistance in our processing of the permit and the subsequent review of the materials submitted for conditions compliance. Please call with any questions that you may have.

Sincerely,

Robert S. Merrill

ROBERT S. MERRILL
North Coast District Manager

Enclosures

cc Maurice A. Priest, Resident Owned Parks, Inc.

City of ARCATA

City Manager	Environmental Services	Police	Recreation
(707) 822-5953	822-8184	822-2428	822-7091
Community Development	Finance	Public Works	Transportation
822-5955	822-5951	822-5957	822-3775

736 F Street
Arcata, CA 95521

February 9, 2012

Howard La Haie, Supervising Assessment Tech
Humboldt County Assessor
825 Fifth Street, Room 300
Eureka, CA 95503

RE: Affordable Housing at 115 South G Street, Arcata CA 95521 – Assessor Parcel Number 503-224-046-000.

Dear Mr. La Haie:

This letter is intended to confirm the conversation we had this morning regarding the status of the affordable housing project at 115 South G Street, Arcata. The City of Arcata and Resident Owned Parks, Inc (ROP) are partners in providing affordable housing by rehabilitating a former mobile home park while maintaining home site rents at levels affordable to low-income tenants.

Item 6 below refers to the regulatory agreement that requires ROP to develop and operate 21 affordable housing units (10 – moderate income; 7 – low income; and 4 very low income) at 115 South G Street, Arcata. Although the property is vacant, the current status of the project is:

1. Based on California Coastal Commission (CCC) approval of a Coastal Development Permit on August 12, 2011 the CCC issued a "Notice of Intent to Issue Permit – Upon Satisfaction of Special Conditions" – August 17, 2011. Permit # 1-10-028.
2. ROP and the City of Arcata submitted documentation to satisfy CCC's "Special Conditions" on October 14, 2011.
3. On December 27, 2011, CCC staff provided ROP and the City an e-mail correspondence indicating compliance with some "Special Conditions", and non-compliance with others.
4. On January 12, 2012, City of Arcata staff sent a written request to CCC staff requesting clarification on an outstanding "Special Condition". As of the date of this letter, no response from CCC has been delivered to the City or ROP.
5. ROP and the City of Arcata are preparing additional documentation for submittal to CCC staff regarding the few remaining "Special Conditions". It is the intent of the ROP and the City to submit evidence of compliance within a week from the date of this letter.
6. "Regulatory Agreement the City of Arcata Home Investment Partnerships Program (HOME) HCD Loan Number 06-HOME-PI-MFP-001 Sandpiper Mobile Home Park" dated October 1, 2010, executed by Resident Owned Parks, Inc, a California nonprofit housing corporation recorded December 20, 2010, Instrument No. 2010-28351-42, of Official Records.
7. California Department of Housing and Community Development issued permit to rehabilitate Sandpiper Mobile Home Park – Permit # 12-0041-MP.

Thank you for your consideration of tax exemption. We hope this letter is sufficient to document the lengthy process involved to provide affordable housing opportunities to our community at 115 South G Street. It is in all the parties involved to develop and occupy the site as soon as possible. Please feel free to contact us at 707-822-5955 if you have any comments or questions.

Sincerely,

Joe Mateer, Senior Planner – City of Arcata Community Development Department

Copy: ROP K:\ComDev_Redev\4_Projects\Housing\Sand Piper Mobile Home Park\Hum Co Tax Assessor ltter 02_9_12.docx

Printed on Re-Used Paper