
DEPARTMENT OF
PUBLIC WORKS



COUNTY OF SANTA CRUZ

GOVERNMENTAL CENTER

JOHN A. FANTHAM
DIRECTOR OF PUBLIC WORKS

701 OCEAN STREET, SANTA CRUZ, CALIFORNIA 950604070

(408) 454-2160

FAX (408) 454-2385

May 22, 1998

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street
Santa Cruz, California 95060

SUBJECT: TRACT 1306, HEATHER TERRACE, APN 39-201-40
SOQUEL DRIVE

Members of the Board:

Submitted herewith is the final map for Tract 1306, Heather Terrace, containing five sheets. This map has been duly checked and processed by this department and is now submitted for your consideration.

The following items are being submitted with the map:

Subdivision Agreement

Irrevocable Letter of Credit **from** Union Bank of California, dated May 8, 1998, in the total amount of **\$1,267,900.00**, for the following items:

Faithful Performance	\$ 825,600.00
Labor and Materials	412,800.00
Guarantee, Warranty, and Maintenance	412,800.00 (to be retained from Faithful Performance)
Inspection	5,000.00 (cash)
Monumentation	12,000.00
T a x e s	17,500.00

The Guarantee, Warranty, and Maintenance amount of **\$412,800.00** is not included in the total **\$1,267,900.00**, submitted in accordance with the Subdivision Agreement.

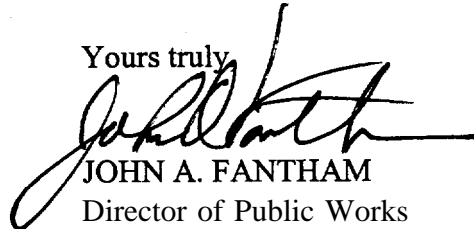
The Affordable Housing requirement for this project has been met.

The Planning Department has advised us on May 8, 1998, that this subdivision complies with all the tentative map requirements. The taxes have been paid in full. The last fee paid was \$5,000.00 for Construction Inspection.

It is therefore recommended that the Board of Supervisors take the following action:

1. Approve the **final** map of Tract 1306, Heather Terrace.
2. Authorize the Director of Public Works to sign the Subdivision Agreement on behalf of the County of Santa Cruz.
3. Direct the Clerk of the Board of Supervisors to file the executed Subdivision Agreement and securities.
4. Direct the Clerk of the Board of Supervisors to execute the certificates of the Board of Supervisors and the Clerk of the Board of Super visors and submit the final map to the Public Works Department for recording with the County Recorder.

Yours truly



JOHN A. FANTHAM
Director of Public Works

GG:bbs

Attachments

RECOMMENDED FOR APPROVAL:



County Administrative Officer

copy to: Planning Department
Northbrook Homes
Ifland Engineers
Public Works Department

HTB

SUBDIVISION AGREEMENT
(Partial Release Tract)

THIS AGREEMENT, by and between NORTHBROOK HOMES / 441
HEATHER TERRACE L.L.C., hereinafter
referred to as SUBDIVIDER, and the COUNTY OF SANTA CRUZ,
hereinafter referred to as COUNTY.

WITNESSETH:

WHEREAS, in connection with the development of that
certain subdivision known as Tract 1306, HEATHER TERRACE
SUBDIVIDER has previously filed with the
Santa Cruz County Planning Director a tentative map of said
subdivision, which said tentative map was duly approved; and

WHEREAS, SUBDIVIDER has submitted, for approval and
acceptance, a final map of said subdivision: and

WHEREAS, certain work and improvements required by
Chapter 14.01 of the Santa Cruz County Code have not been
completed, to wit:

Work and improvements required as conditions for
approval of the tentative subdivision map for this
subdivision, including, but not limited to, site
grading, driveway access, drainage, erosion control,
including the prevention of sedimentation or damage to
off-site property, street construction, sewer
construction, and landscaping, all to be built or
completed in accordance with improvement plans on file
with, and approved by the Director of Public Works of
the County of Santa Cruz, the Santa Cruz County Code
and the Subdivision Map Act.

WHEREAS, SUBDIVIDER hereby proposes to enter into an
agreement with COUNTY, by the terms of which agreement
SUBDIVIDER agrees to have the work and improvements set forth
above completed on or before two years from the date of
execution of this agreement, pursuant to Sections 14.01.510, et
seq. of the Santa Cruz County Code.

NOW, THEREFORE, in consideration of the premises and
the mutual promises and covenants of the parties hereto, it is
agreed as follows:

1. CONSTRUCTION OF IMPROVEMENTS: SUBDIVIDER shall do
all necessary work and construct the improvements described
hereinabove, and complete such work and improvements in
accordance with the provisions of the conditions of the
tentative map approval which are incorporated herein by
reference. All the improvements described above shall be
completed on or before two years from the date of the execution
of this agreement pursuant to Sections 14.01.101, et seq. of the
Santa Cruz County Code, unless a written extension has been
granted by the County.

All required off-site improvements shall be
substantially complete to the satisfaction of the County
Engineer, prior to the granting of occupancy for any new unit.

All off-site work if any, shall be done PRIOR to or concurrently with on-site work, unless otherwise expressly specified by the conditions of the tentative map.

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All materials used shall comply with the County's specifications. SUBDIVIDER hereby guarantees that the above mentioned work and improvements shall in all respects meet specifications prescribed by the Director of Public Works of the County of Santa Cruz. SUBDIVIDER guarantees and warrants all work and materials, and further agrees to replace defective work and materials and maintain all of said work and improvements to the satisfaction of COUNTY in accordance with Chapter 14.01 of the Santa Cruz County Code. SUBDIVIDER further agrees that all survey work shall comply with the requirements prescribed by the COUNTY SURVEYOR.

2. EROSION : SUBDIVIDER will take all necessary actions during the course of construction to prevent erosion damage to adjacent properties during inclement weather. It is understood and agreed that in the event of failure on the part of SUBDIVIDER to prevent erosion, COUNTY may do the work on an emergency basis and back-charge the SUBDIVIDER for the actual expenses incurred, or, if necessary, proceed against the Faithful Performance Security to cover COUNTY'S expenses.

3. SECURITY. At the time of execution of this agreement, SUBDIVIDER shall furnish to COUNTY the following security in the form of cash deposits, or instrument of credit satisfactory to the County:

- A. Faithful Performance Security in the amount of \$225,600- to assure that all work specified in this agreement will be completed; except for that amount retained to provide the Guarantee, Warranty and Maintenance of Work Security, the Faithful Performance Security shall be released upon completion of the work and acceptance of the work to be performed hereunder, in whole or in part: provided that a partial release shall not be in an amount less than 25% of the total security amount and that no more than 50% of the total security amount shall be released prior to final completion and acceptance of the work hereunder. Since partial releases are to be made, a schedule of construction shall be made a part of this agreement. The schedule shall specify the portions of the work to be completed and target completion dates for those portions of work, as well as the amounts of partial release to be made for each portion of work. Failure on the part of SUBDIVIDER to meet a target date shall result in forfeiture of the corresponding partial release. Any partial release thus forfeited may be regained at the next target date if all portions of work due prior to and on that next target date are completed by that next target date. Any extension or modification of the schedule must be granted in writing by the County.

Provisions for partial release may be made at the written request of SUBDIVIDER. SUBDIVIDER shall submit documentation to the County in order to verify that the work required to gain a partial release has been completed.

- B. Labor and Material Security in the amount of \$ 412,800-, which said security, by its terms, shall secure payment to materialmen and laborers furnishing materials and/or labor in connection with the above-described work or improvement; the Labor & Material Security shall be released 90 days after the completion of all the work and provided that no liens have been filed against the project.
- C. Inspection Security in the amount of \$ 5000- CASH
- D. Tax Security \$17,500-
- E. Monumentation Security in the amount of \$12,000-

At the time the COUNTY Board of Supervisors accepts the improvements and coincident with the release of the Faithful Performance Security, a sufficient amount of said security shall be retained to provide:

- F. Guarantee, Warranty and Maintenance of Work Security in the amount of \$ 412,800-, which said security, by its terms, shall guarantee and warrant all work for a minimum period of twelve months following the completion and acceptance thereof by the Board against any defective work or labor done, or defective materials furnished and to maintain such work to the satisfaction of the County for said period, all as provided in Section 14.01511(b) (3) of the Santa Cruz County Code and Section 66499.3(c) of the Government Code. The Guarantee Warranty & Maintenance Security shall be released twelve months after the completion of the work and provided that the workmanship is approved.

Securities held by COUNTY on behalf of other agencies shall be included in the categories above. Work of improvements required under this agreement requires the holding of securities by COUNTY on behalf of the following agencies or companies in the following amounts:

- a. Water Purveyor SOQUEL CREEK WATER DISTRICT
Name of Agency
_____ Security held by County: \$ _____
 Security is held by agency.

- b. Fire Agency N/A
 Name of Agency _____
 ___ Security held by County: \$ _____
 ___ Security is held by Agency.
- c. Utilities N/A
 Name of Agency _____
 ___ Security held by County: \$ _____
 ___ Security is held by Company(ies)
- d. Other N/A
 Name(s) _____
 ___ Security held by County: \$ _____
 ___ Security is held by Company(ies)

In all cases where the performance of the obligation for which the security is required is subject to the approval of another agency, COUNTY shall not release the security until the obligation is performed to the satisfaction of such other agency, pursuant to Government Code Section 66499.8.

Deposits to COUNTY for the acquisition of any necessary easements or right-of-way shall be required Work of improvements required under this agreement involves the acquisition of an easement or easements, or a right-of-way or rights-of-way, over the following parcels of land: APN(s) N/A
 _____ . These easements or rights-of-way:

- ___ HAVE been acquired. (Describe and attach documentation).
- ___ HAVE NOT been acquired and the following standard condemnation clause is made a part of the agreement. At the time of execution of this agreement, SUBDIVIDER shall furnish to COUNTY a cash deposit in the amount of \$ _____ for processing and acquisition as outlined in the following condemnation clause.

4. FAILURE TO COMPLETE IMPROVEMENTS: In the event SUBDIVIDER has not completed the specified work and improvements within the period of time allowed by this agreement, SUBDIVIDER shall not proceed further with such work and improvements unless and until approval to do so is obtained from the COUNTY. Under normal circumstances, if it is not found to be contrary to the public interest, the COUNTY will allow renewals of this agreement, provided that all applicable requirements are met by SUBDIVIDER. The COUNTY reserves the right, upon each renewal, to increase the security amounts to reflect fluctuations in material and labor prices. It is understood that in the event the SUBDIVIDER fails to complete the work and improvements within the specified period of time that the COUNTY may proceed against the Faithful Performance Security, to obtain completion of such work and improvements,, or may initiate proceedings to revert the subdivided property to acreage pursuant to the provisions of Sections 14.01.344 et. seq. of the Santa Cruz County Code.

5. INDEPENDENT CONTRACTOR: SUBDIVIDER agrees that, in making the above-mentioned improvements, SUBDIVIDER is an independent contractor and not an employee of COUNTY, and all persons hired to furnish labor and/or materials in connection with proposed improvements are not employees of COUNTY.

6. INDEMNIFICATION: SUBDIVIDER agrees to defend and hold the COUNTY, its' officers, employees, and agents harmless from any losses or damages occasioned by injuries to persons and/or property arising out of or in any way connected with the above-mentioned work or improvement.

7. FILING OF FINAL SUBDIVISION MAP: COUNTY, for and in consideration of the execution of this agreement and fulfillment by SUBDIVIDER of the terms set forth herein, agrees to accept for filing the final map of Tract No. 1400 HEATHER TERRACE.

8. BINDING ON SUCCESSORS AND ASSIGNS: This agreement shall be binding upon the successors and assigns of each of the parties. SUBDIVIDER shall inform potential buyers of parcels of land created by the underlying subdivision of the obligations on successors and assigns created by this paragraph. SUBDIVIDER shall provide copies of this executed agreement to those potential buyers. SUBDIVIDER is advised that the sale of all or part of the lands of the underlying subdivision does not automatically transfer from the SUBDIVIDER of the land the security obligations of this agreement. Those security obligations attach to SUBDIVIDER until all obligations of SUBDIVIDER under this agreement are fulfilled or transferred by substitution of a replacement agreement and replacement securities acceptable to the County.

IN WITNESS WHEREOF, this agreement has been duly executed by the parties hereto on _____, 19__.

COUNTY OF SANTA CRUZ

By: _____
Director of Public Works

By: [Signature]
Subdivider

Address: _____

Phone: _____

APPROVED AS TO FORM:

[Signature] 11/8/96
County Counsel
SUBAGMLD(DOC)

State of California
county of ALAMEDA

On APRIL 14, 1998 before me, the undersigned, a Notary Public in and
for said State, personally appeared GARY O. BROOKS

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.

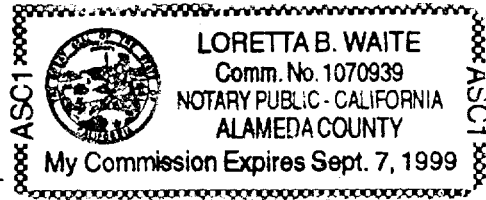
WITNESS my hand and official seal.

Signature

Loretta B. Waite

LORETTA B. WAITE
(typed or printed)

Name



(Seal)

HOUSING CAPITAL COMPANY

May 21, 1998

County of Santa Cruz
Attention: Director of Public Works
701 Ocean Street
Santa Cruz, CA 95060-4070

Re: Heather Terrace- 58 single family lots located in Aptos,
California, County of Santa Cruz, State of California ("Project")

Ladies and Gentlemen:

Housing Capital Company, a Minnesota partnership ("Lender") is the construction lender on the above referenced project and co-applicant under those certain letters of credit to be issued by U.S. Bank National Association ("Bank") to the County of Santa Cruz. Northbrook Homes - Heather Terrace LLC, a California limited liability corporation has obtained a loan from Lender in the amount of \$3,800,000.00 ("Loan").

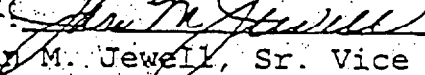
Lender has certain funds set aside in the Loan for the construction and development of the lots located within the Project including but not limited to Offsite costs, Loop Street Offsite funds, R-1 Offsite funds and other development costs to be incurred in connection with the Project and which Lender shall disburse to Borrower in payment of such costs upon completion of the work and upon approval by Lender.

Lender shall provide the county of Santa Cruz with sixty days (60) prior written notice of the expiration of any of the letters of credit issued by Bank.

Very truly yours,

HOUSING CAPITAL COMPANY,
a Minnesota partnership

BY: DFP FINANCIAL, INC., A
California corporation

By: 
Jay M. Jewell, Sr. Vice President

DRAFT LETTER OF CREDIT

May , 1998

County of Santa Cruz
 Attention: Director of Public Works
 . 701 Ocean Street
 Santa Cruz, CA 950604070

Re: Our Irrevocable Letter of Credit No. _____
 Amount: \$ 17,500 U.S. Funds for Tax Security

Ladies and Gentlemen:

We hereby establish, at the request and for the account of Housing Capital Company, a Minnesota partnership, and NORTHBROOK HOMES- HEATHER TERRACE, LLC, a California limited liability company ("Subdivider"), in your favor, in connection with the Agreement, dated as of _____ (the 'Agreement') between you and Subdivider, our Irrevocable Letter of Credit, numbered as indicated above, in the amount of and not to exceed Seventeen Thousand Five Hundred and No/100ths Dollars (\$17,500.00) U.S. Funds (the 'Stated Amount', which shall be decreased as hereinafter described), available to you by your sight draft or drafts drawn upon us for said amount or less, effective immediately, subject to the following conditions:

(1) Each draft drawn under this Letter of Credit must:

(a) be signed on your behalf in the form of Exhibit A hereto, appropriately completed; and

(b) be accompanied by a certificate signed on your behalf in the form of Exhibit B, hereto appropriately completed.

(2) Demand for payment may be made by you under this Letter of Credit by delivery of draft(s) and certificate(s) complying with paragraph (1) hereof at any time during our business hours at our office located at U.S. Bank Place, 601 Second Avenue South, 10th Floor, Minneapolis, Minnesota 554024302 (Attention: IBD Standby Letters of Credit) on a Banking Day (as hereinafter defined). "Banking Day" means any day other than Saturday, Sunday, or a day on which banking institutions in Minnesota are required or authorized by law to close.

(3) We hereby agree with the drawer that draft(s) and certificate(s) complying with paragraph (1) hereof will be duly honored upon presentation if presented to us at the address and in the manner specified under paragraph (2) hereof on or before the expiry date set forth in paragraph (4) hereof. Payments made under this Letter of Credit shall be made in immediately available funds by Federal Reserve wire transfer or (at your option) in immediately available funds credited to an account designated by you which is maintained by you with us.

(4) This Letter of Credit shall expire on the earliest of the following dates:

(a) May 11, 7 999; or

(b) the date on which we receive your written certificate in the form of Exhibit C hereto appropriately completed, together with the original of this Letter of Credit.

(5) Except so far as otherwise expressly stated, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits", 1993 Revision, International Chamber of Commerce Publication No. 500, or any subsequent revision (the "Uniform Customs"). This Letter of Credit shall be deemed to be a contract made under the laws of the State of Minnesota and, as to matters not governed by the Uniform Customs, shall be governed by and construed in accordance with the laws of such state.

(6) This Letter of Credit is irrevocable.

(7) This Letter of Credit sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

U.S. BANK NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

EXHIBIT A
TO LETTER OF CREDIT

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FORM OF SIGHT DRAFT

TO: U.S. BANK NATIONAL ASSOCIATION
MINNEAPOLIS, MINNESOTA

Date: _____

Draw No. _____

At sight, pay to the order of _____ the amount of _____
Dollars (\$_____). This draft is drawn under U.S. Bank National Association Lener of Credit No.
_____ dated as of _____, issued by U.S. Sank National *Association*.

County of Santa Cruz
Beneficiary

By: _____

Name: _____

Title: _____

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b. the date on which we receive your written confirmation in the form of _____
hereto appropriately completed, together with the original of this Letter of Credit.

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(6) Except so far as otherwise expressly stated, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits", 1993 Revision, International Chamber of Commerce Publication No. 500, or any subsequent revision (the "Uniform Customs"). This Letter of Credit shall be deemed to be a contract made under the laws of the State of Minnesota and, as to matters not governed by the Uniform Customs, shall be governed by and construed in accordance with the laws of such state.

(7) This Letter of Credit is irrevocable.

(8) This Letter of Credit sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

U.S. BANK NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

TOTAL P.05

EXHIBIT C
TO LETTER OF CREDIT

TERMINATION

Re: U.S. Bank National Association
Letter of Credit No. _____
Dated: _____
Relating to the Agreement dated as of _____
(the 'Agreement') between NORTHBROOK HOMES-HEATHER TERRACE, LLC and the
County of Santa Cruz

The undersigned, a duly authorized representative of the County of Santa Cruz (the 'Beneficiary'), hereby certifies to U.S. Bank National Association (the "Bank), with reference to the Letter of Credit identified above, issued by the Bank in favor of the Beneficiary, that the conditions set forth in the Agreement for the termination of the Letter of Credit have been satisfied.

The Letter of Credit is 'being surrendered to you herewith for cancellation.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the _____ day of _____

County of Santa Cruz _____
Beneficiary

By: _____
Name: _____
Title: _____

EXHIBIT A
TO LETTER OF CREDIT

FORM OF SIGHT DRAFT

. TO: U.S. BANK NATIONAL ASSOCIATION
MINNEAPOLIS, MINNESOTA

Date: _____

Draw No. _____

At sight, pay to the order of _____ the amount of _____
Dollars (\$_____). This draft is drawn under U.S. Bank National Association Letter of Credit No.
_____ dated as of _____, issued by U.S. Bank National Association.

County of Santa Cruz
Beneficiary

By: _____

Name: _____

Title: _____

EXHIBIT B TO LETTER OF CREDIT

CERTIFICATE

RE: U.S. SANK NATIONAL ASSOCIATION

Letter of Credit No. _____

Dated: _____

Relating to the Agreement dated as of _____ (the 'Agreement') between
NORTHBROOK HOMES-HEATHER TERRACE, LLC and the County of Santa Cruz.

The undersigned, a duly authorized representative of the County of Santa Cruz (the 'Beneficiary'), hereby certifies to U.S. Bank National Association (the "Bank"), with reference to the Letter of Credit identified above, issued by the Bank in favor of the Beneficiary, that:

(1) This Certificate and the accompanying draft are being delivered to you pursuant to the above-referenced Agreement.

(2) A default *has* occurred under the Agreement entitling the Beneficiary to make a draw under the Letter of Credit in the amount of \$ _____.

(3) The Beneficiary is drawing the sum of \$ _____ under the Letter of Credit, which sum does not exceed the amount permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit and the Agreement.

(4) The amount of the sight draft accompanying this Certificate should be paid to the Beneficiary by wire transfer to:

[Wire Instructions]

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the _____ day of _____.

County of Santa Cruz

Beneficiary

By: _____

Name: _____

Title: _____

**EXHIBIT C
TO LETTER OF CREDIT**

TERMINATION

Re: **U.S. Bank National Association**
Letter of Credit No. _____
Dated: _____
Relating to the Agreement dated as of _____
(the "Agreement") between NORTHBROOK HOMES-HEATHER TERRACE, LLC and the
County of Santa Cruz

The undersigned, a duly authorized representative of the County of Santa Cruz (the "Beneficiary"), hereby certifies to U.S. Bank National Association (the "Bank"), with reference to the Letter of Credit identified above, issued by the Bank in favor of the Beneficiary, that the conditions set forth in the Agreement for the termination of the Letter of Credit have been satisfied.

The Letter of Credit is being surrendered to you herewith for cancellation.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the _____ day of _____.

County of Santa Cruz
Beneficiary

By: _____
Name: _____
Title: _____

DRAFT LETTER OF CREDIT

May , 1998

County of Santa Cruz
 Attention: Director of Public Works
 701 Ocean Street
 Santa Cruz, CA 950604070

Re: Our Irrevocable Letter of Credit No. _____
 Amount: \$12,000.00 U.S. Funds for Monumentation Security

Ladies and Gentlemen:

We hereby establish, at the request and *for the account of Housing Capital Company, a Minnesota partnership, and NORTHBROOK HOMES- HEATHER TERRACE, LLC, a California limited liability company* ("Subdivider"), in your favor, in connection with the Agreement, dated as of _____ (the "Agreement") between you and Subdivider, our Irrevocable Letter of Credit, numbered as indicated above, in the amount of and not to exceed Twelve Thousand and No/ 00ths Dollars (\$12,000.00) U.S. Funds (the "Stated Amount", which shall be decreased as hereinafter described), available to you by your sight draft or drafts drawn upon us for said amount or less, effective immediately, subject to the following conditions:

(1) Each draft drawn under this Letter of Credit must:

(a) be signed on your behalf in the form of Exhibit A hereto, appropriately completed; and

(b) be accompanied by a certificate signed on your behalf in the form of Exhibit B, hereto appropriately completed.

(2) Demand for payment may be made by you under this Letter of Credit by ~~delivery of~~ draft(s) and certificate(s) complying with paragraph (1) hereof at any time during *our business hours* at our office located at U.S. Bank Place, 601 Second Avenue South, 10th Floor, Minneapolis, Minnesota 554024302 (Attention: I&D Standby Letters of Credit) on a Banking Day (as hereinafter defined). "Banking Day" means any day other than Saturday, Sunday, or a day on which banking institutions in Minnesota are required or authorized by law to close.

(3) We hereby agree with the drawer that draft(s) and certificate(s) complying with paragraph (1) hereof will be duly honored upon presentation if presented to us at the address and in the manner specified under paragraph (2) hereof on or before the expiry date set forth in paragraph (4) hereof. Payments made under this Letter of Credit shall be made in immediately available funds by Federal Reserve wire transfer OR (at your option) in immediately available funds credited to an account designated by you which is maintained by you with us.

(4) This Letter of Credit shall expire on the earliest of the following dates:

(a) May 31, 1999; or

(b) the date on which we receive your written certificate in the form of Exhibit C

hereto appropriately completed, together with the original of this Letter of Credit.

(5) Except so far as **otherwise** expressly stated, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits", 1993 Revision, International Chamber of Commerce Publication No. 500, or any subsequent revision (the "Uniform Customs"). This Letter of Credit shall be deemed to be a **contract** made under the laws of the State of Minnesota and, as to matters not governed by the Uniform Customs, shall be governed by and construed in accordance with the laws of such state.

(6) This Letter of Credit is irrevocable.

(7) This Letter of Credit sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

U.S. BANK NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

EXHIBIT A
TO LETTER OF CREDIT

FORM OF SIGHT DRAFT

TO: U.S. BANK NATIONAL ASSOCIATION
MINNEAPOLIS, MINNESOTA

Date: _____

Draw No. _____

At sight, pay to the order of _____ the amount of _____
Dollars (\$_____). This draft *is* drawn under U.S. Bank National Association Letter of Credit No.
_____ dated as of _____, *issued* by U.S. Bank National Association.

County of Santa Cruz
Beneficiary

By: _____

Name: _____

Title: _____

DRAFT LETTER OF CREDIT

May , 1998

County of Santa Cruz
 Attention: Director of Public Works
 701 Ocean Street
 Santa Cruz, CA 950604070

Re: Our Irrevocable Letter of Credit No.
 Amount: \$412,800 U.S. Funds for Labor and Material Security

Ladies and Gentlemen:

We hereby establish, at the request and for the account of Housing Capital Company, a Minnesota partnership, and NORTHBROOK HOMES- HEATHER TERRACE, LLC, a California limited liability company ("Subdivider"), in your favor, in connection with the Agreement, dated as of _____ (the "Agreement") between you and Subdivider, our Irrevocable Letter of Credit, numbered as indicated above, in the amount of and not to exceed Four Hundred Twelve Thousand Eight Hundred and No/100ths Dollars (~~\$412,800.00~~) U.S. Funds (the 'Stated Amount', which shall be decreased 8s hereinafter described), available to you by your sight draft or drafts drawn upon us for said amount or less, effective immediately, subject to the following conditions:

(1) Each draft drawn under this Letter of Credit must:

(a) be signed on your behalf in the form of Exhibit A hereto, appropriately completed; and

(b) be accompanied by a certificate signed on your behalf in the form of Exhibit B, hereto appropriately completed.

(2) Demand for payment may be made by you under this Letter of Credit by delivery of draft(s) and certificate(s) complying with paragraph (1) hereof at any time during our business hours at our office located at U.S. Bank Place, 601 Second Avenue South, 10th Floor, Minneapolis, Minnesota 554024302 (Attention: JBD Standby Letters of Credit) on a Banking Day (as hereinafter defined). "Banking Day" means any day other than Saturday, Sunday, or a day on which banking institutions in Minnesota are required or authorized by law to close.

(3) We hereby agree with the drawer that draft(s) and certificate(s) complying with paragraph (1) hereof will be duly honored upon presentation if presented to us at the address and in the manner specified under paragraph (2) hereof on or before the expiry date set forth in paragraph (5) hereof. Payments made under this Letter of Credit shall be made in immediately available funds by Federal Reserve wire transfer or (at your option) in immediately available funds credited to an account designated by you which is maintained by you with us.

(4) This Letter of Credit shall expire on the earliest of the following dates:

(a) May 11, 1999; or

(b) the date on which we receive your written certificate in the form of Exhibit C hereto appropriately completed, together with the original of this Letter of Credit.

(5) Except so far as otherwise expressly stated, this Letter of Credit is subject to the 'Uniform Customs and Practice for Documentary Credits', 1993 Revision, International Chamber of Commerce Publication No. 500, or any subsequent revision (the 'Uniform Customs'). This Letter of Credit shall be deemed to be a contract made under the laws of the State of Minnesota and, as to matters not governed by the Uniform Customs, shall be governed by and construed in accordance with the laws of such state.

(6) This Letter of Credit is irrevocable.

(7) This Letter of Credit sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

U.S. BANK NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

EXHIBIT B TO LETTER OF CREDIT

CERTIFICATE

RE: U.S. BANK NATIONAL ASSOCIATION

Letter of Credit No. _____

Dated: _____

Relating to the Agreement dated as of (the 'Agreement') between NORTHBROOK HOMES-HEATHER TERRACE, LLC and the County of Santa Cruz.

The undersigned, a duly authorized representative of the County of Santa Cruz (the 'Beneficiary'), hereby certifies to U.S. Bank National Association (the 'Bank'), with reference to the Letter of Credit identified above, issued by the Bank in favor of the Beneficiary, that:

(1) This Certificate and the accompanying draft are being delivered to you pursuant to the above-referenced Agreement.

(2) A default has occurred under the Agreement entitling the Beneficiary to make a draw under the Letter of Credit in the amount of \$_____.

(3) The Beneficiary is drawing the sum of \$_____ under the Letter of Credit, which sum does not exceed the amount permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit and the Agreement.

(4) The amount of the sight draft accompanying this Certificate should be paid to the Beneficiary by wire transfer to:

[Wire Instructions]

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this, Certificate as of the _____ day of _____.

County of Santa Cruz
Beneficiary

By: _____

Name: _____

Title: _____

**EXHIBIT c
TO LETTER OF CREDIT**

TERMINATION

Re: **U.S. Bank National Association**
Letter of Credit No. _____
Dated: _____
Relating to the Agreement dated as of _____
(the "Agreement") between NORTHBROOK HOMES-HEATHER TERRACE, LLC and the
County of Santa Cruz

The undersigned, a duly authorized representative of the County of Santa Cruz (the 'Beneficiary'), hereby certifies to U.S. Bank National Association (the 'Bank), with reference to the Letter of Credit identified above, issued by the Bank in favor of the Beneficiary, that the conditions set forth in the Agreement for the termination of the Letter of Credit have been satisfied.

The Letter of Credit is being surrendered to you herewith for cancellation.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the _____ day of _____.

County of Santa Cruz
Beneficiary

By: _____
Name: _____
Title: _____

EXHIBIT A
TO LETTER OF CREDIT

FORM OF SIGHT DRAFT

TO: U.S. BANK NATIONAL ASSOCIATION
MINNEAPOLIS, MINNESOTA

Date: _____

Draw No. _____

At sight, pay to the order of _____ the amount of _____
Dollars (\$_____). This draft is drawn under U.S. Bank National Association Letter of Credit No.
_____ dated as of _____, issued by U.S. Bank National Association.

County of Santa Cruz
Beneficiary

By: _____

Name: _____

Title: _____

EXHIBIT B TO LETTER OF CREDIT

CERTIFICATE

RE: U.S. BANK NATIONAL ASSOCIATION

Letter of Credit No. _____

Dated: _____

Relating to the Agreement dated as of _____ (the *Agreement") between NORTHBROOK HOMES-HEATHER TERRACE, LLC and the County of Santa Cruz.

The undersigned, a duly authorized representative of the County of Santa Cruz (the 'Beneficiary'), hereby certifies to U.S. Bank National Association (the 'Bank'). with reference to the Letter of Credit identified above, issued by the Bank in favor of the Beneficiary, that:

(7) This Certificate and the accompanying draft are being delivered to you pursuant to the above-referenced Agreement.

(2) A default has occurred under the Agreement entitling the Beneficiary to make a draw under the Letter of Credit in the amount of \$_____.

(3) The Beneficiary is drawing the sum of \$_____ under the Letter of Credit, which sum does not exceed the amount permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit and the Agreement.

(4) The amount of the sight draft accompanying this Certificate should be paid to the Beneficiary by wire transfer to:

[Wire Instructions]

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the _____ day of _____.

County of Santa Cruz
Beneficiary

By: _____

Name: _____

Title: _____

**EXHIBIT C
TO LETTER OF CREDIT**

TERMINATION

Re: **U.S. Bank National Association**
Letter of Credit No. _____
Dated: _____
Relating to the Agreement dated as of _____
(the 'Agreement?' between **NORTHBROOK HOMES-HEATHER TERRACE, LLC** and the
County of **Santa Cruz**)

The undersigned, a duly authorized representative of the County of **Santa Cruz** (the "**Beneficiary**"), hereby certifies to **U.S. Bank National Association** (the 'Bank'), with reference to the Letter of Credit identified above, issued by the Bank in favor of the **Beneficiary**, that the conditions set forth in the Agreement for the termination of the Letter of Credit have been satisfied.

The **Letter** of Credit is being surrendered to you herewith for cancellation.

IN WITNESS WHEREOF, the **Beneficiary** has executed and delivered this **Certificate** as of the _____ day of _____.

County of Santa Cruz
Beneficiary

By: _____
Name: _____
Title: _____

May __, 1998

County of Santa Cruz
 Attention: Director of Public Works
 701 Ocean Street
 Santa Cruz, CA 95060-4070

RE: Our Irrevocable Letter of Credit No. _____
 Amount: \$825,600.00 U.S. Funds for Payment and --

Ladies and Gentlemen:

We hereby establish, at the request and for the account of Housing Capital Company, a Minnesota partnership, and NORTHBROOK HOMES - HEATHER TERRACE, LLC, a California limited liability company ("Subdivider"), in your favor, in connection with the Agreement dated as of _____ (the "Agreement") between you and Subdivider, our Irrevocable Letter of Credit, numbered as indicated above, in the amount of and not to exceed Eight Hundred Twenty-Five Thousand Six Hundred and No/100 Dollars (\$825,600.00) U.S. Funds (the "Stated Amount", which shall be decreased as hereinafter described), available to you by your sight draft or drafts drawn upon us for said amount or less, effective immediately, subject to the following conditions:

- (1) Each draft drawn under this Letter of Credit must
 - a. be signed on your behalf in the form of Exhibit A hereto, appropriately completed; and
 - b. be accompanied by a certificate signed on your behalf in the form of Exhibit B hereto appropriately completed.
- (2) Demand for payment may be made by you under this Letter of Credit by delivery of draft(s) and certificate(s) complying with paragraph (1) hereof at any time during our business hours at our office located at U.S. Bank Place, 601 Second Avenue South, 10th Floor, Minneapolis, Minnesota 55402-4302 (Attention: IBD Standby Letters of Credit) on a Banking Day (as hereinafter defined). "Banking Day" means any day other than Saturday, Sunday, or a day on which banking institutions in Minnesota are required or authorized by law to close.
- (3) We hereby agree with the drawer that draft(s) and certificate(s) complying with paragraph (1) hereof will be duly honored upon presentation if presented to us at the address and in the manner specified under paragraph (2) hereof on or before the expiry date set forth in paragraph (5) hereof. Payments made under this Letter of Credit shall be made in immediately available funds by Federal Reserve wire transfer or (at your option) in immediately available funds credited to an account designated by you which is maintained by you with us.
- (4) Each drawing hereunder shall reduce by the amount of the drawing the Stated Amount available under this Letter of Credit. In addition, the Stated Amount available under this Letter of Credit shall be reduced, automatically and without notice to you, by \$412,800 on May __, 1999.
- (5) This Letter of Credit shall expire on the earliest of the following dates:
 - a. May __, 1999; provided, however, subject to paragraph 5(b) hereof, this Letter of Credit shall be automatically renewed without amendment for one (1) additional one-year term unless we have provided you with thirty (30) days prior written notice of our intent not to renew; or

EXHIBIT B TO LETTER OF CREDIT

CERTIFICATE

RE: U.S. BANK NATIONAL ASSOCIATION

Letter of Credit No, _____

Dated: _____

Relating to the Agreement dated as of _____ (the "Agreement") between
NORTHBROOK HOMES-HEATHER TERRACE, LLC and the County of Santa Cruz.

The undersigned, a duly authorized representative of the County of Santa Cruz (the 'Beneficiary?', hereby certifies to U.S. Bank National Association (the 'Bank?', with reference to the Letter of Credit identified above, issued by the Bank in favor of the Beneficiary, that:

(1) This Certificate and the accompanying draft are being delivered to you pursuant to the above-referenced Agreement.

(2) A default has occurred under the Agreement entitling the Beneficiary to make a draw under the Letter of Credit in the amount of \$_____.

(3) The Beneficiary is drawing the sum of \$_____ under the Letter of Credit, which sum does not exceed the amount permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit and the Agreement.

(4) The amount of the sight draft accompany4 this Certificate should be paid to the Beneficiary by wire transfer to:

[Wire Instructions]

IN WITNESS WHEREOF, the Beneficiary has executed and delivered thii Certificate as of the
of _____ day _____.

County of Santa Cruz
Beneficiary

By: _____

Name: _____

Title: _____

COPY of Document Recorded
18-May-1998 1998-0027201

469

After recording please return to:

Measure J Housing Program
Santa Cruz Co. Planning Dept.
701 Ocean Street, Fourth Floor
Santa Cruz, CA 95060

Has not been compared with original
SANTA CRUZ COUNTY RECORDER

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

TO BE RECORDED AT NO FEE FOR THE BENEFIT OF THE COUNTY OF SANTA CRUZ

CERTIFICATION AND PARTICIPATION AGREEMENT
SANTA CRUZ COUNTY AFFORDABLE HOUSING PROGRAM

THIS AGREEMENT, is made and entered into this 13 day of May, 1998, by and between the County of Santa **Cruz**, hereinafter called "COUNTY" and Northbrook Homes - Heather Terrace. LLC, Trustee, hereinafter collectively called "DEVELOPER"; and

WHEREAS, DEVELOPER is the owner and developer of that parcel of real property commonly known as Heather Terrace, Tract Number 1306, and Assessor's Parcel Number(s) 039-201-40, Santa Cruz County, California, hereinafter called "PROPERTY"; and

WHEREAS, DEVELOPER proposes to develop a fifty eight (58) lot subdivision with no remainder lot, and to construct fifty eight (58) residential units, hereinafter called "PROJECT", on the above-described PROPERTY; and

WHEREAS on December 16, 1997 the COUNTY by adoption of Subdivision Permit No 97-0015 approved the development of said PROJECT in a manner consistent with specified terms and conditions, one of such conditions being DEVELOPER's participation in the Affordable Housing Program of the COUNTY; and

WHEREAS it is the intention of both parties to set forth in this separate document the covenants, conditions and restrictions applicable to the certification and participation of the PROJECT in the Affordable Housing Program of the COUNTY.

NOW, THEREFORE, in consideration of **the foregoing**, and of the mutual terms and covenants hereinafter set forth, the parties hereby agree that DEVELOPER shall participate in the Affordable Housing Program of COUNTY, in accordance with the attached Exhibit A: Inclusionary Housing Provisions (description and construction schedule for affordable units); and with the **requirements** of the **COUNTY's** Affordable Housing Program as set forth in the COUNTY's affordable housing ordinance, County **Code** Chapter 17.10, and **the COUNTY's** Affordable Housing Guidelines, including any subsequent **amendment** to said Chapter and/or Guidelines; and with any other regulations and resolutions issued pursuant thereto, all of which are **necessary** to maintain the affordability of the designated affordable lot(s) and/or housing unit(s) upon sale or resale **thereof**. In the case of any conflict between the provisions of Exhibit A and the COUNTY's Affordable Housing Program, the stricter shall prevail.

CERTIFICATION AND PARTICIPATION AGREEMENT
 SANTA CRUZ COUNTY AFFORDABLE HOUSING PROGRAM

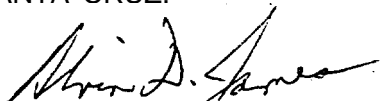
Page 2

1. SATISFACTION OF CONDITIONS. COUNTY hereby agrees that execution, recordation and performance of this Agreement, and compliance with the requirements of the COUNTY's Affordable Housing Program, shall constitute satisfaction of those conditions of approval for the PROJECT which relate to fulfillment of DEVELOPER's obligation to provide for the development of affordable housing, and such execution and recordation shall be sufficient in that respect to permit recordation of the subdivision Final Map and issuance of Building Permits subject to the satisfaction of all other applicable conditions of approval and compliance with all provisions of law.
2. RENTAL OR SALE OF AFFORDABLE HOUSING UNIT(S). DEVELOPER agrees that if DEVELOPER offers designated affordable housing unit(s) (hereinafter called "UNIT(S)") for rent or sale pursuant to this Agreement, DEVELOPER shall offer said UNIT(S) for rent or sale in conformance with Exhibit A and to households which are certified by the COUNTY or its designee to be qualified in conformance with the COUNTY's Affordable Housing Program. DEVELOPER further agrees that if DEVELOPER retains ownership of UNIT(S) for purposes of rental as affordable investor-owner unit(s), DEVELOPER will execute and record a Declaration of Restrictions for each of said UNIT(S) which references the requirements of the COUNTY's Affordable Housing Program. The sale or conveyance of any UNIT(S) shall similarly be subject to the execution and recording of a Declaration of Restriction by the purchaser.
3. RECORDATION. DEVELOPER shall execute this Agreement, cause the same to be acknowledged, and deliver said executed and acknowledged document to the County Planning Department. Following execution by the COUNTY, this agreement shall be recorded in the office of the County Recorder of the County of Santa Cruz. COUNTY shall not be obligated to permit recordation of the subdivision Final Map or the issuance of Building Permits for the PROJECT prior to the recording of this Agreement.
4. LIMITED CONSTRUCTION. Nothing contained herein shall be deemed to constitute compliance with, or waiver of, any provision of law or condition of PROJECT approval except as expressly stated herein with respect to conditions relating to affordable housing units.
5. AGREEMENT BINDING. The terms, covenants and conditions of this Agreement shall apply to, and shall bind, the heirs, successors, executors, administrators, assigns, agents, contractors, subcontractors and grantees of both parties and shall be covenants running with the land. Except as otherwise provided in County Code Chapter 17.10, neither the PROPERTY nor any parcel therein shall be released from the affordability requirement of the COUNTY's Affordable Housing Program due to a trustee's sale or judicial foreclosure
6. WAIVERS. The waiver by any party of any breach or violation of any term, covenant or condition of this Agreement or of any statute, ordinance or applicable requirement shall not be deemed to be a waiver of such term, covenant, condition, statute, ordinance or applicable requirement or of any subsequent breach or violation of the same or of any other term, covenant, condition, statute, ordinance or applicable requirement.


**CERTIFICATION AND PARTICIPATION AGREEMENT
SANTA CRUZ COUNTY AFFORDABLE HOUSING PROGRAM**

- 7. COSTS AND ATTORNEY'S FEES. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such as action from the other party.
- a. AUTHORITY OF SIGNATORIES. Each signatory hereto represents that he/ she has the legal authority to execute this document and bind the party(s) on whose behalf he/she is signing.


COUNTY OF SANTA CRUZ:

by: 
 Name: Alvin D. James Title: Planning Director

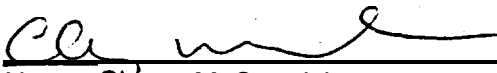
DEVELOPER: (The signature(s) of the DEVELOPER must be notarized)

By: 
 Name: Northbrook Homes - Heather Terrace, LLC; Gary Brooks
 Title: Property Owner

By: 
 Name: Northbrook Homes - Heather Terrace, LLC; ~~Jane~~ Brooks
 Title: Property Owner *Jane JB*

By: 
 Name: ~~Old Republic Title Trustee~~ Housing Capital Company Title: ~~Trustee for Deed of Trus~~ Holder Deed of Trust held by Housing Capital Company

APPROVED FOR CONTENT:

By: 
 Name: Cherry McCormick Title: County Housing Coordinator

- ATTACHMENTS: 1) Exhibit A: Inclusionary Housing Provisions
 2) Subdivision map (8.5" x 11") with affordable lots indicated
 (to be provided by OWNER and all notations must be legible)

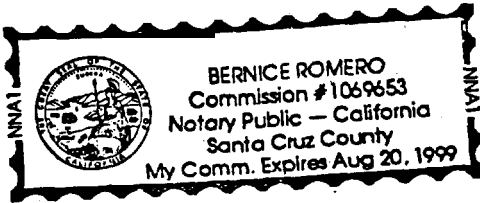
CERTIFICATION AND PARTICIPATION AGREEMENT
SANTA CRUZ COUNTY AFFORDABLE HOUSING PROGRAM

COUNTY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ)

On May 12 1998, before me Bernice Romero, Notary Public,
personally appeared Alvin D. James,
f& personally known to me, ~~or I proved to me on the basis of satisfactory evidence~~, to be the
person whose name is subscribed to the within instrument and acknowledged to me that ~~he/she~~
executed the same in ~~his/her~~ authorized capacity, and that by ~~his/her~~ signature on the instrument
the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



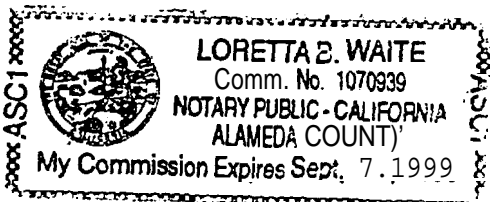
Bernice Romero
Signature of Notary Public

OWNER ACKNOWLEDGMENT

STATE OF CALIFORNIA
COUNTY OF ALAMEDA

On APRIL 30, 1998, before me THE UNDERSIGNED,
personally appeared GARY O. BROOKS AND JANE BROOKS,
 personally known to me, or proved to me on the basis of satisfactory evidence, to be the
person(s) whose name is subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their
signature(s) on the instrument the person(s) or the entity(ies) upon behalf of which the person(s)
acted, executed the instrument:

WITNESS my hand and official seal:

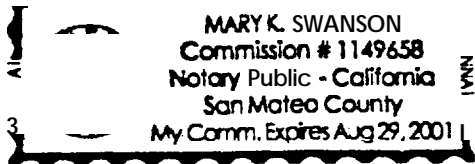


Loretta B. Waite
Signature of Notary Public
LORETTA B. WAITE

STATE OF California
COUNTY OF San Mateo

On May 4, 1998, before me Mary K. Swanson, Notary Public
personally appeared K. A. Lamson,

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



WITNESS my hand and official seal:

Mary K. Swanson
Signature of Notary Public

STATE OF _____
COUNTY OF _____

On _____, 199__, before me _____,
personally appeared _____,

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

WITNESS my hand and official seal:

Signature of Notary Public

EXHIBIT A: INCLUSIONARY HOUSING PROVISIONS

A. CONSTRUCTION OF AFFORDABLE HOUSING

DEVELOPER agrees to restrict the following residential unit(s) to be affordable housing unit(s) pursuant to the COUNTY's Affordable Housing Program in fulfillment of the **inclusionary** housing requirements for this PROJECT. Prior to issuance of a Building Permits for each of the restricted units, DEVELOPER may purchase an affordable housing credit, if and as such credits are identified pursuant to Section 'B' below, in place of restricting the residential unit pursuant to the COUNTY's Affordable Housing Program:

1. Number of Affordable Housing Units To Be Constructed:

Nine (9) affordable unit(s) to be provided on-site as follows: .

Lot Number(s) / Unit Number(s): Lots 1,7,9,14,29,32,38,39,56

Zero (0) affordable unit(s) to be provided off-site as follows:

Project Name: N/A

Tract Number: N/A

Permit Number: N/A

APN(s): N / A .

Lot Number(s) / Unit Number(s) / Address(es): N/A

2. Size of affordable unit(s): (average number of bedrooms must equal or exceed the average number of bedrooms in the PROJECT's market rate units)

	<u>No. Units</u>	<u>No. Bedrooms</u>	<u>No. Square Feet</u>
Moderate Income	9	4	1953
Lower Income	0	0	0
Very Low Income	0	0	0

3. Timing of Construction of Affordable Units:

Timing of construction of the affordable housing unit(s) shall be in accordance with the requirements of County Code Chapter 17.10.

B. TRANSFER OF AFFORDABLE HOUSING CREDITS

DEVELOPER certifies that the PROJECT includes the development of residential units; and certifies **that** if the PROJECT includes a subdivision, more than one third (1/3) of the lots shall be either retained by the subdivider or sold to one individual for the construction of housing units. Based on this certification, DEVELOPER may transfer affordable housing credit(s) as indicated below to **meet** the inclusionary housing obligation of the PROJECT in place of the construction of affordable residential units pursuant to Section 'A' above. DEVELOPER agrees that if affordable housing credits are transferred to meet the affordable housing obligations of the PROJECT, and that subsequently less than one third of the lots are retained by the DEVELOPER or are sold to one individual for the construction of housing units, the cost paid for the credit(s) shall be treated as a payment towards the payment of the lot in lieu fee obligation as defined in Section 'C' below for those lots restricted for affordable units under Section 'A' above.

1. Transfer of Credits:

Zero (0) affordable unit(s) may be provided through transfer of affordable housing credit(s) from the following project:

Project Name: N/A

Tract Number: N/A

Applicant Name: N/A

APN(s): N/A

Participation Agreement recorded on: N/A

2. Timing of Credit Transfer:

DEVELOPER agrees to transfer an affordable housing credit to the PROJECT prior to issuance of a Building Permit for each unit restricted pursuant to Section 'A' above for development as an affordable unit. If there are no credits available for purchase at the time the transfer is required to be completed, DEVELOPER may not exercise this option, and shall instead construct the affordable housing unit(s) as restricted pursuant to Section 'A' above and the COUNTY's Affordable Housing Program.

C. DEDICATION OF SUBDIVISION LOTS

DEVELOPER certifies that the PROJECT consists of a lot subdivision in which individual lots shall be sold to parties other than DEVELOPER for the construction of housing. Based on this certification, the COUNTY shall allow the DEVELOPER to meet the inclusionary housing requirement for the PROJECT by one of the two options below.

1. Dedication of Affordable Residential Lots:

DEVELOPER agrees to dedicate the following lot(s) to the County of Santa Cruz at the time of recording the subdivision Final Map:

Zero (0) affordable lot(s) shall be dedicated to the County as follows:

Lot Number(s) / Unit Number(s):

2. Payment of In-Lieu Fees: N/A

DEVELOPER agrees to pay the following in-lieu fees to the County in place of dedicating lots for affordable housing. In the event that more than one third (1/3) of the lots in the PROJECT are retained by DEVELOPER or are sold to one party, the County may at its discretion refund any in lieu fee paid for a period of up to three years following payment and require that DEVELOPER enter into an amended Certification and Participation Agreement to fulfill the inclusionary housing obligation of the PROJECT pursuant to the COUNTY's Affordable Housing Program. The COUNTY shall not be obligated to issue Building Permits in the PROJECT prior to the payment in full of the required in lieu fees.

Zero (0) lot(s) in the subdivision are designated as affordable lots for the calculation of in-lieu fees as follows:

Lot Number(s) / Unit Number(s): N/A

DEVELOPER agrees to pay an in lieu fee for each of these lots as follows: (select one)

- a) A fee equal to the price of the first market-rate unit sold; DEVELOPER agrees to notify the COUNTY 30 days prior to the close of escrow on the first lot sold and to pay the in lieu fee from escrow with the proceeds of the sale.
- b) A fee equal to the appraised value of the affordable lot with completed site and frontage improvements; DEVELOPER agrees to notify the COUNTY within 5 working days of the completion of site and frontage improvements and to pay the in lieu fee within 15 days of completion of improvements.

End



Northbrook Homes LLC
Westbrook Development Company, Inc.

Heather Terrace/Aptos

April 1, 1998

Phase	Lot No.	Plan/Elevation	Garage	Address	Veneer	Color Scheme	Permit No.
-------	---------	----------------	--------	---------	--------	--------------	------------

S = stone
B = brick

Model	41			182 Heather Terrace			
Model	42			194 Heather Terrace			
Model	43			200 Heather Terrace			
Phase I	t	•		270 Heather Terrace			
Phase I	2			258 Heather Terrace			
Phase I	3			246 Heather Terrace			
Phase I	4			123 Tulip Lane			
Phase I	5			133 Tulip Lane			
Phase I	6			143 Tulip Lane			
Phase I	7	*		52 I Poppy Way			
Phase I	8			529 Poppy Way			
Phase I	9	•		533 Poppy Way			
Phase I	10			54 t Poppy Way			
Phase I	11			544 Poppy Way			
Phase I	12			536 Poppy Way			
Phase I	13			532 Poppy Way			
Phase I	14	*		524 Poppy Way			
Phase I	15			514 Poppy Way			
Phase I	16			504 Poppy Way			
Phase I	17			492 Poppy Way			
Phase I	46			230 Heather Terrace			
Phase I	47			481 Poppy Way			
Phase II	18			482 Poppy Way			
Phase II	19			472 Poppy Way			
Phase II	20			462 Poppy Way			
Phase II	21			452 Poppy Way			
Phase I I	22			442 Poppy Way			
Phase II	23			434 Poppy Way			
Phase II	24			428 Poppy Way			
Phase II	25			422 Poppy Way			
Phase II	53			417 Poppy Way			
Phase II	52			427 Poppy Way			
Phase II	51			437 Poppy Way			
Phase II	50			451 Poppy Way			
Phase II	49			461 Poppy Way			
Phase II	48			471 Poppy Way			
Phase I	45			224 Heather Terrace			
Phase II	44			212 Heather Terrace			
Phase II	56	*		387 Poppy Way			
Phase II	32	*		360 Poppy Way			
Phase II	29	*		380 Poppy Way			
Phase III	39	*		315 Poppy Way			
Phase III	38	•		300 Poppy Way			
Phase III	37			310 Poppy Way			
Phase III	36			320 Poppy Way			
Phase III	35			330 Poppy Way			
Phase II	34			340 Poppy Way			
Phase III	33			350 Poppy Way			
Phase III	31			370 Poppy Way			
Phase III	30			374 Poppy Way			
Phase III	28			390 Poppy Way			
Phase III	27			402 Poppy Way			
Phase III	26			412 Poppy Way			
Phase III	54			407 Poppy Way			
Phase III	55			397 Poppy Way			
Phase III	57			335 Poppy Way			
Phase III	58			325 Poppy Way			
Phase III	40			178 Heather Terrace			

• =BMR

Statement of Owner

I hereby certify that we are the owners of the real property included within the subdivision shown on this map and that we are the only persons necessary to sign said map pursuant to provision of Section 66445(E) Of the Government Code of the State of California, and we consent to the striking of said map and said subdivision as shown within the strip border lines and we hereby offer for dedication those strips labeled "P.U.E." for public utilities purposes including, but not limited to, Pacific Bell Corporation. We offer for dedication to the Santa Cruz County Sanitation District those strips labeled "S.S.E." for sanitary sewer purposes. We hereby irrevocably offer for dedication the lands shown hereon as "Parcel A" to the County of Santa Cruz for road and public utilities purposes. We also hereby offer for dedication those strips labeled "S.D.E." for storm drain purposes.

Gary Oran Brooks
 Gary Oran Brooks
 Members, Northbrook Homes-Heather Terrace LLC

Jane Beymer Brooks
 Jane Beymer Brooks
 Members, Northbrook Homes-Heather Terrace LLC

The undersigned, as trustee, under the deed of trust recorded at document no. 1997-0061666, Official Records of Santa Cruz County, does hereby join in and consent to the execution of the above owner's statement.

By: Chicago Title Co., a California corporation
Shirley K. Smith

The undersigned, trustee, under the deed of trust recorded at document no. 1997-0061666, Official Records of Santa Cruz County, does hereby join in and consent to the execution of the above owner's statement.

By: Santa Cruz Title Company
Debra A. Pugh
 Vice President

Mary Saccullo
 Secretary

State of California
 County of Alameda

On this 21st day of March 1998, before me, the undersigned, a notary public in and for said county and state, personally appeared Gary Oran Brooks and Jane Beymer Brooks, 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
Mary Saccullo
 Notary Public in and for the County of Alameda, State of California

Tax and Assessment Certificate

I hereby certify that there are no liens for unpaid state, county, municipal or local taxes or special assessments collected as taxes against the land included in this subdivision or against my part thereof, except taxes which are not yet payable and which it is hereby estimated will not exceed the sum of \$ _____ for the year _____, and that said land is not, nor is any part thereof, subject to any special assessment which has not been paid in full and that this certificate does not include any assessment of any assessment district, the bonds of which have not yet become a lien against said land or any part thereof.

Dated: _____

Auditor-Controller of the County of Santa Cruz, State of California

By: _____ Deputy

State of California
 County of Santa Cruz

On this 15th day of April 1998, before me, the undersigned, a notary public in and for said county and state, personally appeared Louise Gagliardi Smith and _____ 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
J. Grammer
 Notary Public in and for the County of Santa Cruz, State of California

State of California
 County of Santa Cruz

On this 15th day of April 1998, before me, the undersigned, a notary public in and for said county and state, personally appeared Walter A. Maddox and Marcell E. Kraling, 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
Mary Saccullo
 Notary Public in and for the County of Santa Cruz, State of California

Board of Supervisors Certificate

It is hereby ordered that the map of Tract 1306, Heather Terrace, be, and the same is hereby approved, and that "Parcel A" shown on said map is hereby accepted for road purposes. Lands shown hereon as "P.U.E." are also accepted for public utilities purposes, including, but not limited to, Pacific Bell Corporation. Lands shown hereon as "S.S.E." are also accepted by the Santa Cruz County Sanitation District for sanitary sewer purposes. Lands shown hereon as "S.D.E." are also accepted for storm drain purposes.

I certify that the foregoing was adopted by the Board of Supervisors of the County of Santa Cruz at a meeting of said board held on the _____ day of _____, 1998.

Clerk of the Board of Supervisors of the County of Santa Cruz, State of California

By: _____ Deputy Clerk

Certificate of Clerk of Board

The Clerk of the Board of Supervisors of the County of Santa Cruz does hereby certify that all certificates and securities required under the provisions of Sections 66492 and 66493 of the Government Code have been duly filed and deposited as required by law. Pursuant to the authority delegated to me by said Board, I hereby approve said certificates and securities on behalf of the County of Santa Cruz.

Clerk of the Board of Supervisors

Date: _____

By: _____ Deputy Clerk

Statement of Surveyor

This map was made by me or under my direction and is based on a field survey in January, 1998. The survey is true and complete as shown. All monuments are of the character and occupy the positions indicated, or they will be set in those positions on or before December, 1999. The monuments are or will be, sufficient to enable the survey to be retraced.

Signed: Gary R. Ireland
 Gary R. Ireland PLS No. 7637



Statement of County Surveyor

I hereby certify that I have examined this Final Map and the subdivision as shown is substantially the same as it appeared on the tentative map and my approved alterations thereof. All provisions of the Subdivision Map Act, (Sections 66410) and the County of Santa Cruz Subdivision Ordinance applicable at the time of approval have been complied with. I am satisfied that this map is technically correct and conforms with the action of the Tentative Map thereof taken by the Board of Supervisors of the County of Santa Cruz on _____.

Dated: _____

County Surveyor of the County of Santa Cruz
 State of California RCE 17572, Exp. C-30-01

Certificate of Recorder

Serial Number: _____

I hereby certify that this map was presented at _____ m on the _____ day of _____, by the Clerk of the Board of Supervisors of the County of Santa Cruz, State of California and that, upon examination, I accept said map for recordation of the _____ day on _____ in Volume of Maps, Page _____ Santa Cruz County Records.

Dated: _____

Signed: _____ County Recorder

TRACT NUMBER 1306
Heather Terrace

BEING THE LANDS, WITHIN THE COUNTY OF SANTA CRUZ CONVEYED TO NORTHBROOK HOMES-HEATHER TERRACE LLC BY DEED RECORDED AT DOCUMENT NO. 1997-0061666, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

JANUARY 1998 APRN 039-201-40 SCALE: N/A

Illand ENGINEERS, INC.
 1100 WATER STREET
 SANTA CRUZ, CA 95062
 TEL (408) 428-5300
 FAX (408) 428-5300

SHEET NO. 1 OF 5 SHEETS JOB NUMBER 96131

Legend

- Found 1/2" iron pipe, RCE 11192, unless noted sheathed with 1-1/2" iron pipe, LS 7367
- Set Street Monument
- Found 1/2" iron pipe, RCE 11192 unless noted
- Set 1/2"x30" galvanized iron pipe, logged
- LS 7657, unless otherwise noted
- R/M Record and measured data per 54 PM 33
- P.U.E. Public Utilities Easement
- L.E. Private Landscaping Easement
- D.E. Private Drainage Easement
- S.D.E. Public Storm Drainage Easement
- S.S.E. Public Sanitary Sewer Easement
- (T) Total distance
- (R) Radial bearing to center
- () Record data per 54 PM 33
- Indicates the boundaries of the lands subdivided by this map.

All distances shown are in feet and decimals thereof.
 All distances shown are ground distances unless otherwise noted.

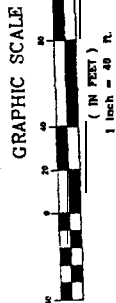
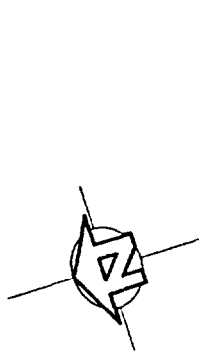
The total area of the land subdivided by this map is 6.46555 acres.

Table of Bearings

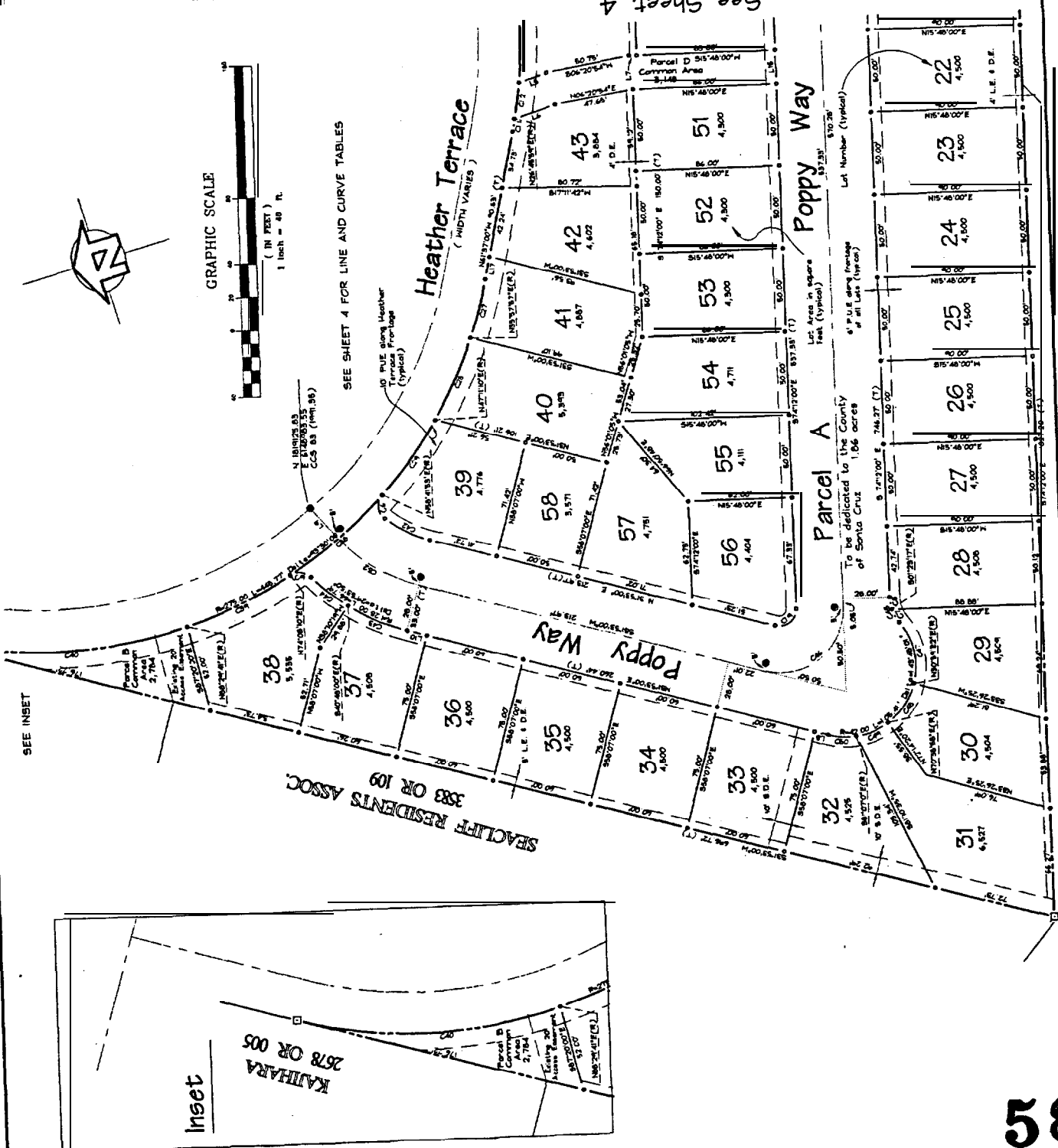
The bearing North 74°12'00" West between found monuments on the southerly line of Lot 3 as shown on that certain map recorded in Volume 54 of Parcel Maps at Page 33, Santa Cruz County Records, is the basis of bearings for this survey.

Survey Note

Coordinates shown herein are based on the California Coordinate System (CCS83) epoch 1981.35. Grid lines shown are to Santa Cruz County GPS control monuments shown on to A10 as shown on that certain map recorded in Volume 97 of Maps at Page 46, Santa Cruz County Records. Control ties were made by GPS observation.



SEE SHEET 4 FOR LINE AND CURVE TABLES

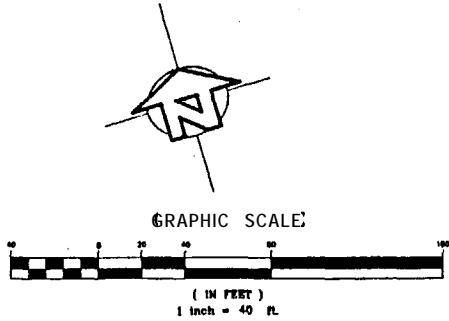


See Sheet 4

TRACT NUMBER 1306
Heather Terrace

BEING THE LANDS, WITHIN THE COUNTY OF SANTA CRUZ CONVEYED TO NORTHBROOK HOMES-HEATHER TERRACE LLC BY DEED RECORDED AT DOCUMENT NO. 1947-0061665 OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

JANUARY 1998 APN 099-201-40 SCALE 1"=40'
 1100 WATER STREET
 SANTA CRUZ, CA 95062
 TEL (408) 428-1733
 FAX (408) 428-1733
Manand
ENGINEERS, INC.
 SHEET NO. 3 OF 5 SHEETS JOB NUMBER 0031



Line	Length	Bearing
L1	5.09	N1°52'52"E
L2	26.73	N81°53'00"E
L3	16.57	S81°53'00"W
L4	3.26	N74°12'00"W
L5	17.30	S0°55'23"E
L6	29.77	N91°52'33"W
L7	4.65	S92°58'00"W
L8	8.48	N87°53'00"E
L9	20.49	S64°13'41"W
L10	11.46	N81°53'00"E
L11	5.00	S15°46'00"W
L12	4.26	S15°46'00"W
L13	4.43	N87°43'00"W
L14	11.51	S17°52'52"E
L15	20.00	S74°12'00"E
L16	14.85	S74°12'00"E
L17	18.44	S61°52'00"E

Curve	Length	Radius	Delta
C1	2.76	40.00	63°58'55"
C2	15.71	10.00	90°00'00"
C3	15.71	10.00	90°00'00"
C4	4.44	47.00	121°07'24"
C5	18.42	40.00	27°08'44"
C6	16.17	10.00	92°38'45"
C7	8.46	25.00	20°31'42"
C8	7.50	25.00	171°11'17"
C9	15.55	10.00	77°58'40"
C10	29.27	47.00	35°40'52"
C11	7.76	275.00	21°57'01"
C12	22.33	275.00	64°29'27"
C13	5.01	10.00	85°58'33"
C14	6.44	275.00	01°21'04"
C15	15.35	1555.00	00°33'56"
C16	37.51	23.00	69°25'54"
C17	66.66	250.00	16°44'26"
C18	41.03	250.00	09°24'11"
C19	15.52	10.00	106°08'00"
C20	33.67	250.00	07°43'23"
C21	73.70	275.00	15°21'21"
C22	41.04	275.00	08°33'09"
C23	46.74	275.00	09°44'14"
C24	19.27	47.00	23°29'49"
C25	15.79	10.00	78°40'25"
C26	59.40	275.00	12°22'32"
C27	36.34	275.00	07°34'57"
C28	33.56	275.00	11°13'31"
C29	55.25	275.00	11°30'43"
C30	37.37	103.00	20°47'21"
C31	26.77	103.00	14°53'31"
C32	25.01	40.00	86°49'03"
C33	18.47	42.00	25°52'54"
C34	36.26	42.00	44°28'19"
C35	40.38	42.00	55°04'54"
C36	24.37	42.00	32°14'25"
C37	41.00	42.00	52°12'47"
C38	74.10	275.00	15°26'17"
C39	68.92	275.00	14°21'21"
C40	160.25	275.00	33°23'19"
C41	27.74	40.00	54°47'37"
C42	30.37	72.00	24°10'26"
C43	38.64	126.00	17°19'20"
C44	25.11	126.00	12°34'51"
C45	16.46	25.00	37°43'02"
C46	70.36	36.00	106°05'00"
C47	30.78	42.00	52°54'33"
C48	24.07	42.00	34°15'26"
C49	20.70	42.00	28°14'02"
C50	16.86	42.00	23°02'00"
C51	46.71	75.00	33°40'52"
C52	60.54	100.00	34°41'19"

Legend

- Found 1/2" iron pipe, RCE 11192, unless noted sheathed with 1-1/2" iron pipe, LS 7367
- Set Street Monument
- Found 1/2" iron pipe, RCE 11192 unless noted
- Set 1/2"x30" galvanized iron pipe tagged LS 7337, unless otherwise noted
- RAM Record and measured data per 54 PM 33
- P.U.E. Public Utilities Easement
- L.E. Private Landscape Easement
- D.E. Private Drainage Easement
- S.D.E. Public Storm Drainage Easement
- S.S.E. Public Sanitary Sewer Easement
- (T) Total distance
- (R) Radial bearing to center
- () Record data per 54 PM 33
- Indicates the boundaries of the lands subdivided by this map.

All distances shown are in feet and decimals thereof.

All distances shown are ground distances unless otherwise noted.

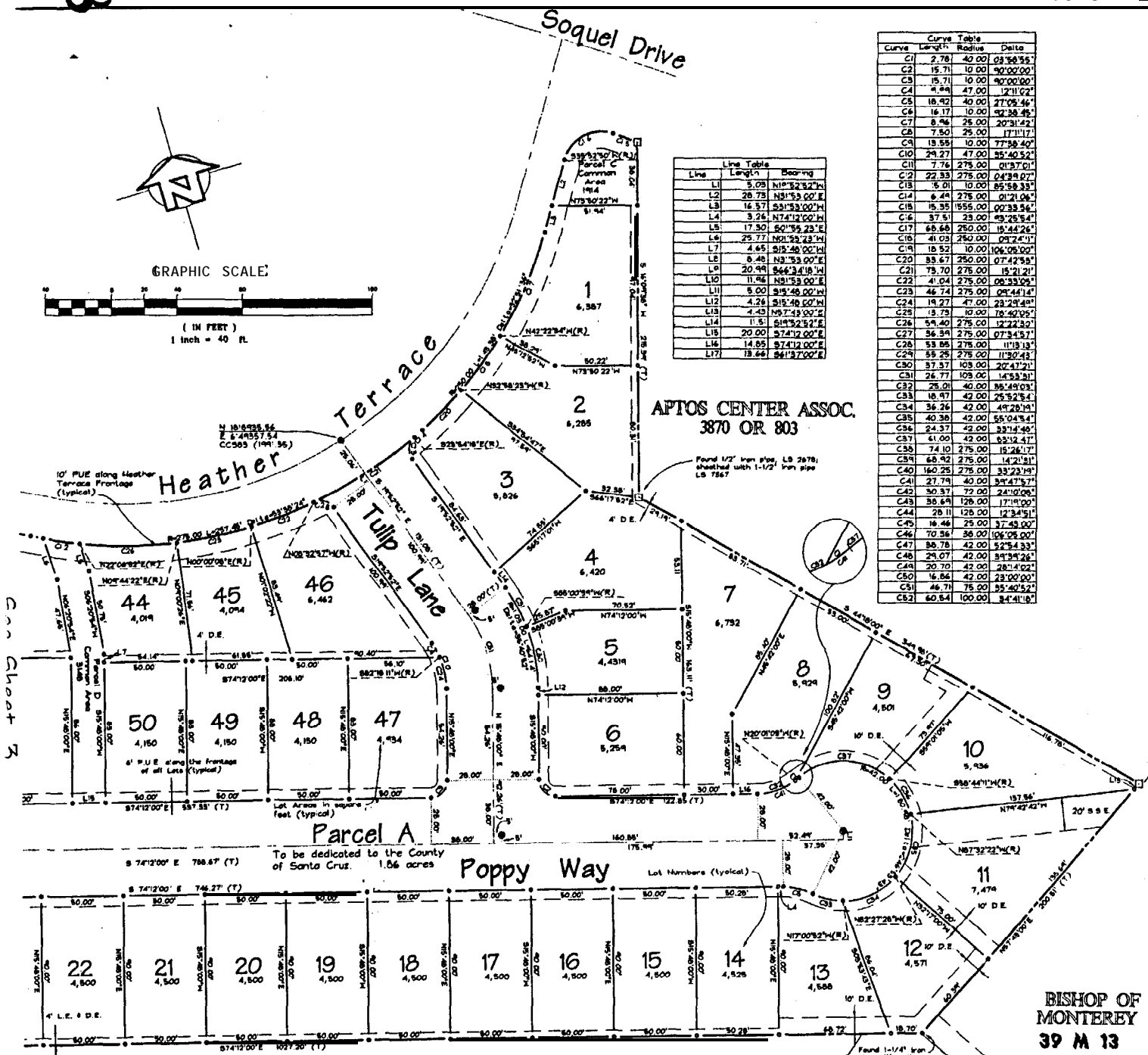
The total area of the land subdivided by this map is 6.46555 acres.

Basis of Bearings

The bearing North 74°12'00" West between found monuments on the southerly line of Lot 3 as shown on that certain map recorded in Volume 54 of Parcel Maps at Page 33, Santa Cruz County Records, is the basis of bearings for this survey.

Survey Note

Coordinates shown herein are based on the California Coordinate System (CCS83) epoch 1991.95. Grid ties shown are to Santa Cruz County GPS control monuments GPS30, AB & A10 as shown on that certain map recorded in Volume 87 of Maps at Page 40, Santa Cruz County Records. Control ties were made by GPS observation.



TRACT NUMBER 1306

Heather Terrace

BEING THE LANDS, WITHIN THE COUNTY OF SANTA CRUZ CONVEYED TO NORTHBROOK HOMES-HEATHER TERRACE, LLC BY DEED RECORDED AT DOCUMENT NO. 1997-0061665, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

JANUARY 1998 APN 039-201-40 SCALE: 1"=40'



1100 WATER STREET
SANTA CRUZ, CA 95062
TEL (408) 428-5313
FAX (408) 428-1783

BISHOP OF MONTEREY
39 M 13

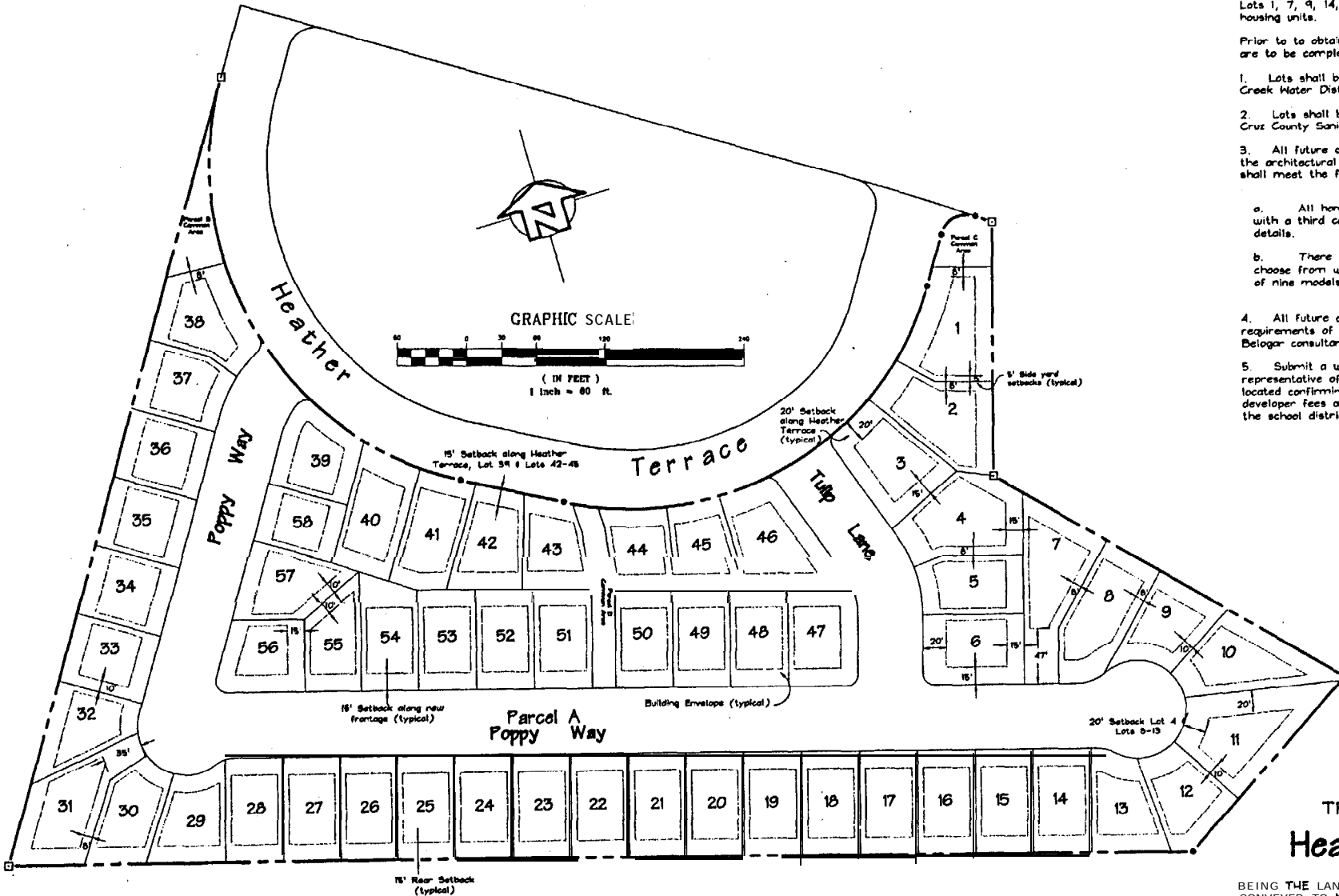
SHEET NO. 4 OF 5 SHEETS JOB NUMBER 9051

Non Title Notes

Lots 1, 7, 9, 14, 29, 38, 39, & 56 shall have affordable housing units.

Prior to obtaining a building permit the following items are to be completed:

1. Lots shall be connected for water service to Soquel Creek Water District.
2. Lots shall be connected for sewer service to Santa Cruz County Sanitation District.
3. All future construction on the lots shall conform to the architectural guidelines as approved in Exhibit C and shall meet the following additional conditions:
 - a. All homes shall be painted primarily two colors with a third color used for trim to highlight architectural details.
 - b. There shall be a minimum of three models to choose from with three elevations each for a minimum of nine models.
4. All future development on lots shall comply with the requirements of the geotechnical report prepared by Belogar consultants dated 1-5-96.
5. Submit a written statement signed by the authorized representative of the school district in which the project is located confirming payment in full of all applicable developer fees and other requirements lawfully imposed by the school district in which the project is located.



Non Title Sheet
TRACT NUMBER 1306
Heather Terrace

BEING THE LANDS, WITHIN THE COUNTY OF SANTA CRUZ CONVEYED TO NORTHBROOK HOMES-HEATHER TERRACE, LLC BY DEED RECORDED AT DOCUMENT NO. 1997-0061665, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

JANUARY 1998 APN 039-201-40 SCALE: 1"=60'



1100 WATER STREET
SANTA CRUZ, CA 95062
TEL (408) 428-5373
FAX (408) 428-1783

SHEET NO. 5 OF 5 SHEETS

JOB NUMBER 96131