

EXHIBIT F

REVENUE PARTICIPATION PLAN

DEVELOPER has made many assumptions to determine the terms of its best and final offer and to evaluate the feasibility of the project. One critical assumption is the estimated sales price of non-senior residential units in Rafael Village. DEVELOPER anticipates that, should actual home prices of non-senior units in Rafael Village be higher than currently projected, an important reason for that will be the addition of upgrades and other amenities that have an associated cost. However, another important reason that home prices may increase will be that real estate prices have escalated faster than expected.

Average home prices (in 1999 dollars) of Rafael Village non-senior units are estimated to be \$490,000 for homes on 4,000 square-foot lots, \$555,000 for homes on 5,000 square-foot lots, and \$655,000 for homes on 8,000 square foot lots. DEVELOPER has incorporated a 3% annual escalation rate into its pro forma cash flow to estimate home prices in the future. If actual home prices of Rafael Village non-senior units are higher than projected, DEVELOPER shall make Revenue Participation payments to the City in accordance with the following formula:

Subtract the projected sales price of the Rafael Village non-senior unit (based on the 1999 estimated sales price escalated at 3% per year) from the actual sales price to determine the Difference. Multiply the Difference by 10% to determine the Revenue Participation payment.

Revenue Participation payments shall be made on a per-unit basis at the time a CofO is issued by the City. The payments shall not be part of escrow closing costs.

Based on approval of 136 4,000 square foot lots, 125 5,000 square-foot lots, and 89 8,000 square-foot lots (for a total of 350 non-senior lots in Rafael Village), the weighted average home price in 1999 dollars is \$555,000. Escalated at 3% per year to 2003, the average home price would be \$625,000. If average home prices are 20% higher than projected, the average home price would be \$750,000, or \$125,000 higher than projected. Assuming all 350 units are sold in 2003 at prices that are 20% higher than those projected, the City would receive \$4.4 million in Revenue Participation payments.

If the City feels it is prudent to participate in the upside potential of future home prices, then Revenue Participation payments will be made as described above. However, if the City feels it cannot enter into such a participation agreement, then the Revenue Participation Plan will be disregarded and Revenue Participation payments will not be made by DEVELOPER.