

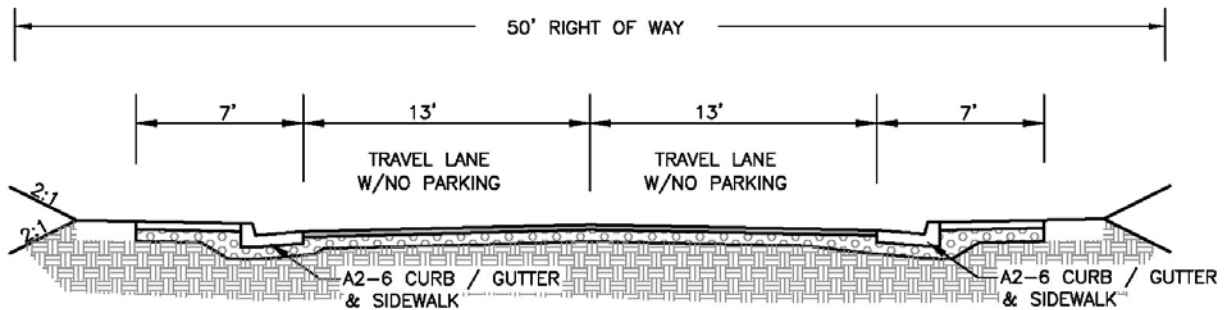
INFRASTRUCTURE PLAN

The infrastructure and utilities being proposed for The Village at SouthHill project are detailed on the Preliminary Infrastructure Plan (Exhibit 8) and consist of the following:

ROADWAYS

INTERNAL ROADWAYS

One type of internal roadway design for the development is being proposed as shown below:

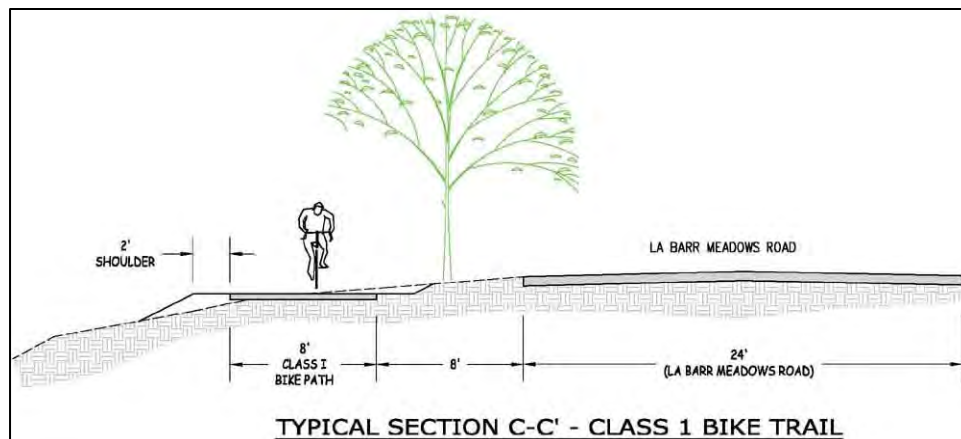


TYPICAL ROADWAY SECTION A-A'

The proposed road section consists of a fifty feet road right-of-way with 13 feet wide travel lanes and 7 feet wide curb and sidewalks.

LA BARR MEADOWS ROAD

La Barr Meadows Road is the primary access to the project. That roadway will essentially remain the same width and type. Re-striping and shoulder improvements in conjunction with the three (3) roundabouts will provide for the circulation and access needed to serve the project.



SR49 IMPROVEMENTS

One of the key features of The Village at SouthHill project is access to SR49. The Circulation Element of the City's General Plan indicates that an "intersection or interchange" may be needed to accommodate future development in and around the Grass Valley area. The intersection or interchange is part of proposed new road called the *Crestview Connector* and would connect South Auburn Road to SR 49 in order to serve the Northstar Property, as well as providing a connection to La Barr Meadows Road to SR 49. That proposed connector road is shown on the City's General Plan Maps as being located at or near The Village at SouthHill property. In order to determine what level of improvement is needed, the following studies were conducted:

1. A traffic study was prepared for The Village at SouthHill project. The results of the traffic study concluded that an at-grade intersection would be sufficient to accommodate the proposed Village at SouthHill development and future area development as long as that development is consistent with the City's General Plan. The traffic study analyzed both the project and the cumulative impacts of the potential other projects anticipated within the planning horizon. In addition, the traffic study also found that developing The Village at SouthHill project with the mix of uses being proposed would intercept traffic now using La Barr Meadows Road and SR 49 from the south portion of Nevada County (i.e., Alta Sierra and intervening lands), thereby relieving traffic congestion at the SR49/McKnight Way intersection. The Village at SouthHill project includes construction of the at-grade intersection and also sets aside right-of-way (see Exhibit 2, Lot 6) for a future interchange if the city in the future determine one may be needed in the future.
2. Shortly after The Village at SouthHill traffic study was completed, the Nevada County Transportation Commission (NCTC) conducted a Project Report to determine if an interchange is needed and, if so, where and when such improvement would be needed. The basis of the original NCTC Project Report included anticipated build-out of the four Special Development Areas (SDAs) that were, at the time, proposing significant density increases beyond what was identified in the City's General Plan for those properties. When assessing the traffic volumes that would result from development proposing the increase density, the Project Report concluded that the resulting traffic impact may trigger the need interchange and widening of SR 49. In conjunction with the Project Report, the City also conducted an economic report to assess the market demand for the increase density being requested by the other three SDA's. The conclusion of the economic report found that market demand was not sufficient to warrant the increase density requests.
3. After review the NCTC Project Report findings and the results of the economic report, the City of Grass Valley rejected the density increases by the other three Special Development Areas (SDAs) and adopted the specific SDA application policies which allow far less density and mixes in land use than was originally assumed in the NCTC report.

4. As a result of the City of Grass Valley SDA policy action, NCTC amended the Project Report to reflect projected traffic volumes that would result from the development of The Village at SouthHill and build out of surrounding lands based the City's General Plan. The final report concluded the following:
- Where is the best location for a future interchange if found necessary. **(The northerly alignment for the interchange is recommended with the location connection being at the existing Crestview Drive Intersection).**
 - Whether an interim at-grade intersection would conflict with a possible future interchange. **(The Village at SouthHill proposed at-grade intersection (Exhibit 12) does not conflict with the future interchange).**
 - Whether a future interchange could be constructed while maintaining traffic within the at-grade intersection. **(Phased construction of the interchange can occur without impacting traffic within the proposed at-grade intersection).**
 - The useful life of the at-grade intersection. **(The at-grade intersection can operate at an acceptable level of service well into 2030 traffic conditions based on the City of Grass Valley's traffic model).**
 - Whether there are any fatal flaws with the interchange and connector location. **(The NCTC traffic study identified that there are no environmental fatal flaws associated with the interchange or at-grade intersection).**

Consistent with the Traffic Report and the Project Report, The Village at SouthHill is designed with a full at-grade intersection (Exhibit 12) that provides access to SR 49. Of importance is that the intersection will function at acceptable "level of service well beyond the planning horizon. Additionally, The Village at SouthHill project has also been designed to preserve a planning option to reserve right-of-way for the NCTC recommended interchange alignment. The Conceptual Future Interchange Alternative (Exhibit 13) illustrates how a future interchange could be designed should one be needed and clearly demonstrate that City's future option are not be loss.

Exhibit 12

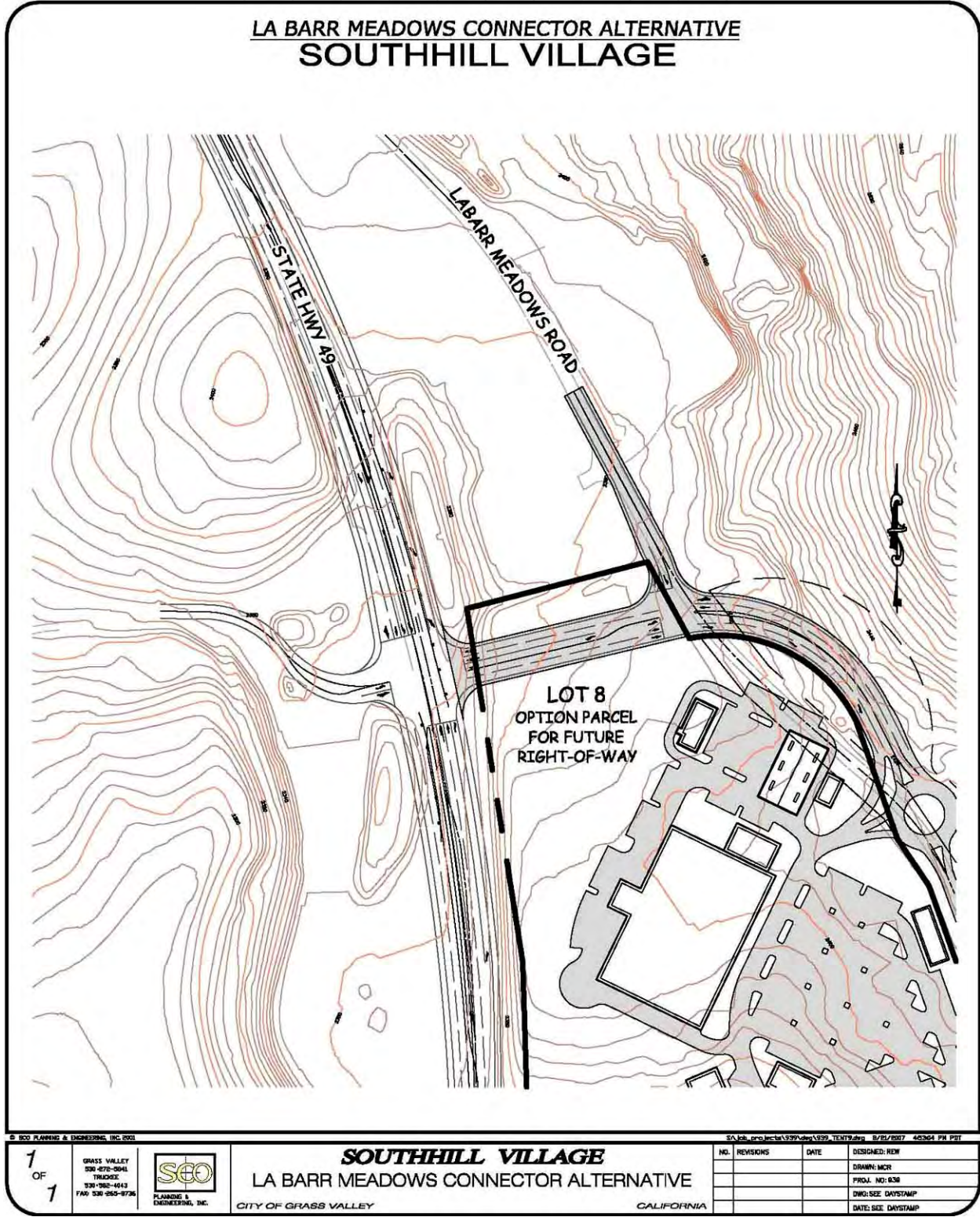
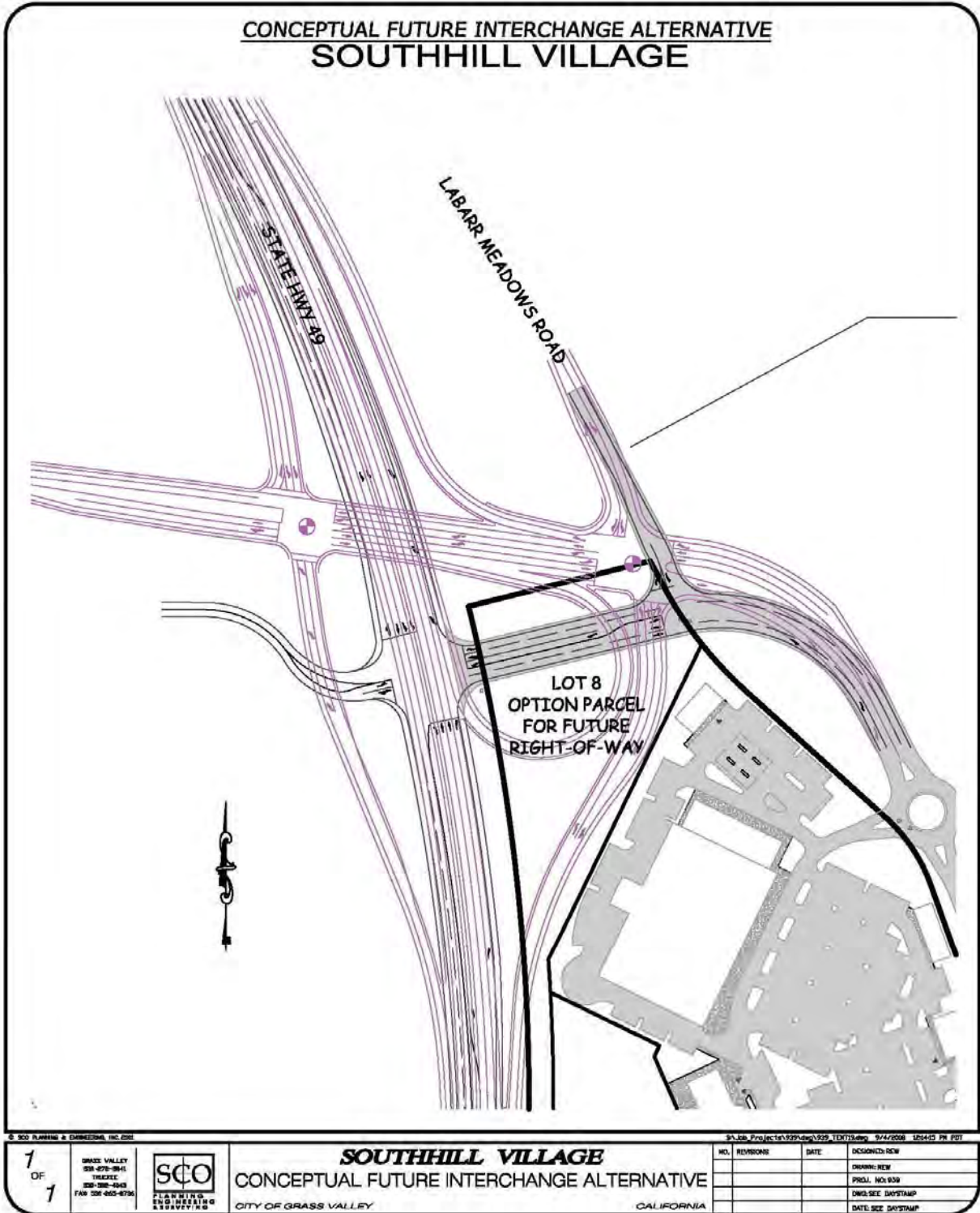


Exhibit 13



WET UTILITIES

SEWER

The City will provide sewer to the site upon successful annexation of the property to the City boundaries. The Preliminary Infrastructure Plan (Exhibit 9) shows sewer lines running internally through the site to a sewer lift station located in the open space area just west of the commercial area. This is the lowest portion of the site. From there, the line would be connected to and constructed along La Barr Meadows Road up to the SR49/McKnight Way interchange. From that location, sewer will provide gravity flow to the treatment plant.

WATER

The Nevada Irrigation District (NID) will provide water to the site. NID currently has a 10 inch line crossing The Village at SouthHill property. It is intended that this line will serve the site. Water utilities will be constructed within the roadways and are depicted on the Preliminary Infrastructure Plan (Exhibit 8).

DRY UTILITIES

Electrical service will be provided by Pacific Gas and Electric Company. Existing power sources front La Barr Meadows Road. On-site utilities will be constructed within the roadways. In addition to electrical service, separate conduits will be provided for cable television and natural gas.