

**ADVANCE FUNDING AGREEMENT
BETWEEN BMC EG COURTYARD, LLC AND
THE COUNTY OF MONTEREY
FOR PREVAILING WAGE COMPLIANCE
AT THE EAST GARRISON PROJECT AT FORT ORD**

THIS ADVANCE FUNDING AGREEMENT (this "Agreement") is entered into as of _____, 2015 (the "Execution Date") by and between the County of Monterey ("County") and BMC EG Courtyard, LLC a Delaware limited liability company ("Buyer"). The Buyer and County may each be referred to herein as a "Party" or collectively as the "Parties".

RECITALS

A. The Buyer has acquired all of the rights, title and interest to the property and development rights for the Parcels identified in Exhibit 1 (hereinafter, the "Parcels"), and considered part of the development of a residential mixed use project known as East Garrison (hereinafter, the "Project"), located on the former Fort Ord, pursuant to an Assignment and Assumption Agreement dated May 29, 2015.

B. The Buyer has acknowledged the assumption of certain obligations pursuant to a Disposition and Development Agreement ("DDA"), specifically including the obligation to pay prevailing wages for all construction on the Parcels as well as the obligation to bear the County's costs of monitoring and reporting to ensure compliance with prevailing wage requirements.

C. The intent of this Agreement is to provide funding to the County for certain reasonable and necessary costs of County staff and consultants in ensuring compliance with the prevailing wage requirements with respect to the Parcels.

D. A fundamental premise of this Agreement is that nothing is to be construed as a representation, promise, or commitment on the part of County to give special treatment to, or exercise its discretion favorably for any actions related to ensuring compliance with prevailing wage obligations, or to the Project in general, in exchange for Buyer's obligation to advance costs incurred pursuant to this Agreement.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES
CONTAINED IN THIS AGREEMENT, COUNTY AND BUYER AGREE AS FOLLOWS:**

1. Funding Obligation.
 - 1.01. Buyer agrees to advance funds to the County in the time and manner, and subject to the conditions, set forth in this Agreement, for Administrative Costs (as described below) incurred on and after the date escrow closes on the transfer of the Parcels to Buyer, and reasonably related to carrying out the responsibilities of the County in ensuring compliance with the prevailing wages provision of the DDA (Section 321). Administrative Costs include but are not limited to all costs reasonably incurred by the County (including costs of consultants pertaining thereto, pursuant to Section 1.02 of this agreement) in receiving, reviewing,

monitoring and reporting services (“Services”) related to prevailing wage payroll records by Buyer and Buyer’s building trade contractors performing work on vertical construction of improvements on the Parcels.

1.02 County shall provide Buyer with a copy of any consultant’s agreement and related scope of work for services performed with respect to Buyer’s Parcels.

2. Payment of Funds.

2.01. Forthwith upon approval of this Agreement and execution hereof by the authorized representatives of the parties, the Buyer will deposit Twenty-five Thousand Dollars (\$25,000) into a special fund to be established and maintained by the County, and to be known as the “BMC EG Courtyard East Garrison Prevailing Wage Services Fund.” The County is authorized to disburse amounts from said fund, from time to time, to pay for incidental costs and expenses incurred by the County and its consultant in connection with Services under this Agreement. The County may disburse amounts from said fund to other appropriate funds or accounts of the County to reimburse the County for the reasonable cost of staff time devoted to said Services, as well as to pay third party invoices from consultants retained to assist the County in such Services.

In the event that the balance in said fund is drawn down to an amount of less than \$10,000, the County may notify the Buyer of such fact, and the Buyer shall forthwith provide the County with an additional deposit of \$25,000 to assure the continued availability of funds for the payment of such Services.

In the event that additional deposits are necessary beyond the initial deposit, any unexpended amounts of such additional deposits shall be returned to Buyer, within 60 days of the end of the term of this Agreement, consistent with Section 6 (Term).

3. Review of Costs.

3.01. The County recognizes that Buyer has an interest in ensuring that costs incurred by the County pursuant to this Agreement are reasonable. Accordingly, the County shall monitor the incurring of Services costs, including the work of consultants, with the objective of avoiding unnecessary or duplicative costs of staff or consultants, and providing for cost effective performance under consultant contracts.

3.02. At the request of any Party to this Agreement, and in any event not less than twice during a Fiscal Year, the County, in consultation with the Buyer, shall review the costs incurred and anticipated costs to be incurred within such Fiscal Year.

3.03. Buyer recognizes that ability to carry out the activities referenced in Section 1 on the part of the County is contingent on timely provision of funds as provided for in this Agreement. Buyer also recognizes that, pursuant to Section 321 of the DDA, the County has the right, after notice and a 30-day opportunity to cure period, to stop work on Buyer’s construction or to take other remedial actions

against a building trades contractor (but not with respect to work being performed by other contractors) in the event of an uncured violation of the law requiring the payment of prevailing wages by such building trades contractor.

3.04. The Parties acknowledge the existence of existing agreements, including the DDA, the DA and the Assignment and Assumption Agreement referenced above, and further acknowledge the mutual rights and obligations of those agreements remain.

4. Procedures.

4.01. Submission and Payment of County Invoices. Within forty-five (45) days of the end of each calendar quarter in a Fiscal Year ("Quarterly Billing Period") the County shall prepare and provide the Buyer with a notice of the amount billed ("Billing Notice") for such Quarterly Billing Period which sets forth the expenses of the County for reimbursable costs (including costs of consultants) incurred in such Quarterly Billing Period. The Billing Notice shall set forth the amounts claimed and paid from the deposit set forth in Section 2.01, together with such supporting documentation as the Buyer may reasonably request. The Billing Notice shall include staff expenses and the costs of consultants, the costs of which may be billed separately (without limiting the County's ability to redact billings as appropriate pursuant to the attorney client and attorney work product privileges). The County shall submit the Billing Notice to the Buyer by the forty-fifth (45th) day following the end of each Quarterly Billing Period. Buyer shall review the Billing Notice and identify any disputed amounts, pursuant to Section 4.02

4.02. Payment Dispute. If Buyer takes exception to any amount identified in a Billing Notice under this Agreement, Buyer shall, within twenty (20) days after Buyer has received the Billing Notice in dispute, deliver to County a written notice of protest explaining the basis for the dispute. The Parties shall promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such dispute until the Parties have met and attempted in good faith to resolve the dispute for not less than 30 days. Upon the resolution of the dispute, the amount, if any, which was determined to be erroneously charged against the deposit shall be replaced by the County, as appropriate. If the amount(s) disputed by Buyer are unresolved for longer than 30 days, and if the disputed amount is found to be proper, Buyer shall pay interest on the disputed amount at the lesser rate of 5% per annum or the maximum rate permitted by law, from the date of Buyer's notice of disputed amount to the date of resolution, to the County. The existence of a dispute over any portion of a Billing Notice does not relieve Buyer of its obligation to increase deposits, as set forth in Section 2.01.

5. No Promise or Representation.

Buyer and County agree that nothing in this Agreement is to be construed as a representation, promise, or commitment on the part of the County to give special treatment to, or exercise its discretion favorably for, the Project or Buyer.

6. Term.

This Agreement shall be effective from the Effective Date of this Agreement through the date of issuance of a Certificate of Occupancy for the last unit to be developed on the Parcels which are the subject of this Agreement, or the resolution of any prevailing wage issue with respect thereto, whichever is later, unless extended by mutual consent of the Parties.

7. Indemnification.

The Buyer shall defend, indemnify, and hold harmless the County from and against any and all claims, liabilities, or losses in any action brought by any third party challenging the validity of this Agreement or the authority of the County to enter into this Agreement. Buyer also acknowledges assumption of the indemnification obligation set forth in section 321 of the DDA. This indemnification shall survive termination of this Agreement.

8. Assignment.

The Buyer shall not assign, sell, mortgage, hypothecate or otherwise transfer its obligations under this Agreement except as part of a financial transaction or transfer to a transferee or assignee as permitted under or as otherwise approved in writing by the County and Successor Agency to the Redevelopment Agency of the County of Monterey. This Agreement and the rights, privileges, duties, and obligations of the Parties hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective, successors and permitted assigns.

9. Amendment.

This Agreement may be amended or modified only by an instrument in writing signed by all the Parties hereto.

10. Authority to Implement this Agreement.

The Director of the Resource Management Agency of the County of Monterey, or his or her designee, shall have the authority to implement this Agreement on behalf of the County, and to enter into such clarifying and/or administrative memoranda or other documentation as he or she deems appropriate to carry out its purpose and intent,. Buyer represents and warrants that any individual executing or amending this Agreement on behalf of the Buyer has been authorized by Buyer to enter into and implement this Agreement on behalf of the Buyer and to bind the Buyer to the terms and conditions of the same.

11. Waiver.

With the exception of the time to dispute any Billing Notice, as set forth in Section 4.02, the failure of a Party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a Party of any condition or of any breach of any term contained in this Agreement shall be effective unless in writing and signed by the Parties hereto, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in any other instance or a waiver of any other condition or breach of any other term.

12. Governing Law.

This Agreement shall be construed, interpreted and governed by the laws of the State of California, without regard to conflicts of law principles.

13. Negotiated Agreement.

The Parties acknowledge that each Party has reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of the Agreement.

14. Relationship of Parties.

This Agreement establishes only a funding and reimbursement arrangement between the Parties, and nothing in this Agreement establishes a partnership or joint venture among the Parties.

15. Notices.

Notice to the Parties in connection with this Project Reimbursement Agreement shall be given personally, by first class, certified, or registered mail, or by an express mail delivery service addressed as follows (except as any Party may otherwise direct in writing to the other Parties):

TO COUNTY: Director, Resource Management Agency
County of Monterey
168 West Alisal Street, Second Floor
Salinas, CA 93901
Tel: 831-755-4879
Fax: 831-755-5877

TO BUYER: Will LaHerran
Chief Financial Officer
BMC EG Courtyard, LLC
6489 Camden Ave. Ste. 204
San Jose, CA 95120
Tel 408-323-1114 Ext 412
Fax 408-323-1114

Notice shall be deemed effective at the time of personal delivery, five days after the notice is deposited in the United States registered or certified mail, properly addressed, with postage prepaid, or on the day of delivery if notice is sent by express mail delivery service.

16. Entire Agreement.

This Agreement constitutes the entire agreement between Buyer and County respecting the advancement and reimbursement of funds for Services and shall supersede all prior negotiations, representations or agreements, either written or oral, among the Parties with respect to this issue.

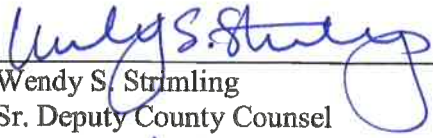
County and Buyer each represent that neither has relied on any promise, inducement, representation, or other statement made in connection with this Agreement that is not expressly contained herein.

IN WITNESS WHEREOF, the County and Buyer have executed this Advance Funding Agreement as of the day and year written below.

COUNTY:
COUNTY OF MONTEREY

Date: _____

APPROVED AS TO FORM:




Wendy S. Strimling
Sr. Deputy County Counsel

Date: 6/2/15


BUYER:
BMC EG Courtyard, LLC

Date: 5-28-15



Dustin Bogue
President and CEO

Date: 5/24/15



Allen Bennett
Secretary and General Counsel

County and Buyer each represent that neither has relied on any promise, inducement, representation, or other statement made in connection with this Agreement that is not expressly contained herein.

IN WITNESS WHEREOF, the County and Buyer have executed this Advance Funding Agreement as of the day and year written below.

COUNTY:
COUNTY OF MONTEREY

Date: _____


APPROVED AS TO FORM:

Wendy S. Strimling
Sr. Deputy County Counsel

Date: _____

BUYER:
BMC EG Courtyard, LLC

Date: 5-28-15



Dustin Bogue
President and CEO

Date: _____

Allen Bennett
Secretary and General Counsel

EXHIBIT 1

**LOCATION AND
LEGAL DESCRIPTION OF ASSIGNED PARCEL**

Legal Description
East Garrison - Courtyard Lots, Phase 1

Lots 1-22, 30-37, 156-163, and 170-181 as shown on that certain map entitled "Tract No. 1489, East Garrison Phase One", filed for record on June 28, 2007, in Volume 24 of Cities and Towns, at page 7, filed in the Office of the County Recorder, County of Monterey, State of California.

Excepting therefrom all mineral rights with the right of surface entry as reserved in the "Quitclaim Deed for a Portion of Former Fort Ord, Monterey, California", executed by the United States of America, in favor of the Fort Ord Reuse Authority, recorded May 19, 2006, Instrument No. 2006-045190, Official Records, Monterey County. Said document was re-recorded and amended January 12, 2007, Instrument No, 2007-03370, Official Records, Monterey County.

**RECORDED AT THE REQUEST OF
AND WHEN RECORDED, RETURN TO:**

BMC EG Courtyard, LLC
99 Almaden Blvd., Suite 400
San Jose, CA 95113
Attention: Talli Robinson

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (herein "this Agreement") is entered into as of May 29, 2015 (the "Effective Date"), by and among UCP EAST GARRISON, LLC, a Delaware limited liability company, (herein "Master Developer") and BMC EG COURTYARD, LLC a Delaware limited liability company (herein "Assignee") and is consented to by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY ("Successor Agency") and approved by the COUNTY OF MONTEREY ("County").

The Effective Date of this Agreement shall be the date of its recordation in the Official Records of the County of Monterey pursuant to Section 6 hereof.

RECITALS

A. East Garrison Partners I, LLC, a California limited liability company ("EGP") entered into a Disposition and Development Agreement with the Redevelopment Agency of the County of Monterey ("Agency") dated as of October 4, 2005 (the "DDA"). A Memorandum of the DDA was recorded in the Official Records of the Monterey County Recorder on May 16, 2006, as Document No. 2006044222. The DDA sets forth rights, terms and conditions and requirements for the acquisition and development of certain real property described therein (the "Site") included within the Fort Ord Redevelopment Project Area. Pursuant to the DDA, the property, subject to this Agreement will be developed as part of a new mixed-use community with residential, commercial, office, research, public, cultural, recreation, park and open space land uses (the "Project"). Unless otherwise defined in this Agreement, capitalized terms shall have the same meanings as set forth in the DDA.

B. EGP took title to the Site pursuant to that certain Quitclaim Deed, dated as of January 16, 2007, from the Agency to EGP, which Deed was recorded in the Official Records of the Monterey County Recorder on February 1, 2007, as Instrument No. 2007008907 (the "Agency Deed"), setting forth certain disclosures, covenants, restrictions and requirements pertaining to the Assigned Parcel (as defined below), as well as the Remaining Site (as defined below).

C. Master Developer has acquired all of the rights, title and interest to the Site, including the Assigned Parcel (as defined below), and the development rights to the Project,

including the DDA, from EGP pursuant to a foreclosure process as evidenced in that certain Trustee's Deed Upon Sale recorded September 9, 2009 in the Official Records under Recorder's Series Number 2009-057220. The DDA was subsequently assigned to and assumed by Master Developer by that certain First Implementation Agreement to Disposition and Development Agreement by and between the Agency and Master Developer dated June 28, 2011 ("Master Developer Implementation Agreement").

D. Pursuant to ABx1 26 (Statutes, 2011), and the decision in California Redevelopment Association v. Matosantos, (2011) 53 Cal.4th 231, the Agency was dissolved effective February 1, 2012 and all Agency's rights, duties and obligations with respect to the Property were transferred by operation of law to the Successor Agency to the Redevelopment Agency of the County of Monterey ("Successor Agency"). Accordingly, all references to the "Agency" shall also include the Successor Agency.

E. Subject to Agency approval as provided in the DDA, the Master Developer desires to convey and assign to Assignee, its interests under the DDA as to that portion of the Site identified and described in Exhibit 1, attached hereto and incorporated herein by this reference (herein the "Assigned Parcels"). The remainder of the Site as described in the DDA shall be hereafter referred to as the "Remaining Site."

F. Assignee desires to be bound by and assume all of the Master Developer's obligations and other terms and conditions under the DDA and Agency Deed with respect to the Assigned Parcels.

G. Agency has determined that this Agreement satisfies the requirements of the DDA and Agency Deed with respect to the transfer of the Assigned Parcels.

H. In its approval of this Agreement, the County has determined that this Agreement also satisfies the requirements pertaining to the transfer and assignment of the Assigned Parcel under that certain Development Agreement (the "DA") between the Master Developer, as successor in interest to EGP, and the County, dated as of October 4, 2005, and recorded in the Official Records of the Monterey County Recorder on May 16, 2006, as Instrument No. 2006044223, and as implemented by the Master Developer Implementation Agreement.

AGREEMENTS

NOW, THEREFORE, THE MASTER DEVELOPER AND ASSIGNEE HEREBY AGREE AS FOLLOWS:

1. Transfer of Assigned Parcel. Subject to all of the terms and conditions of that certain Purchase and Sale Agreement and that certain Quitclaim Deed from Master Developer to Assignee of even date herewith (collectively, the "Transfer Documents"), Master Developer intends to transfer the Assigned Parcel to Assignee subject to the terms of the DDA and the

Agency Deed applicable to the Assigned Parcel, and Assignee agrees to accept such transfer subject to the terms and conditions of the DDA and Agency Deed applicable to the Assigned Parcel, including but not limited to those provisions for performance in the development of the Assigned Parcel, restrictions on subsequent assignments, and rights and remedies in the event of default. The Transfer Documents, in addition to other rights and remedies, reserves to the Master Developer the right to exercise certain remedies of reverter and repurchase under the Agency Deed prior to the exercise by the Agency of such rights retained by the Agency in the DDA and Agency Deed. Certain relevant provisions of the Transfer Documents are attached hereto as Exhibit 5 and incorporated herein by reference.

2. Assignment by Master Developer. Subject to the terms and conditions of this Agreement, as of the Effective Date (as determined under Section 6 hereof), Master Developer hereby assigns, transfers and grants to Assignee, and its successors and assigns, all of the Assigned Development Rights and Obligations, as such term is defined in Section 8 below. The Retained Development Rights and Obligations (as such term is defined in Section 8 of this Agreement) are hereby retained by the Master Developer and/or its other assignees and the Remaining Site.

3. Acceptance and Assumption by Assignee. Subject to the terms and conditions of this Agreement, as of the Effective Date (as determined under Section 6 hereof), Assignee, for itself and its assignors and assigns, hereby accepts such assignment and assumes all of the Assigned Development Rights and Obligations. Except as expressly provided in this Agreement, Assignee agrees, expressly for the benefit of Agency, to comply with, perform and execute all covenants and obligations of Master Developer under the DDA and Agency Deed arising from or under the Assigned Development Rights and Obligations.

4. Effect of Assignment.

a. Approval or acceptance of this Agreement by the Agency shall not be deemed to create any responsibility on the part of Assignee for the performance or satisfaction of the Retained Development Rights and Obligations and the Remaining Site, and Agency shall look solely to the Master Developer and/or its other assignees for the performance of such obligations, it being understood and agreed that the failure of the Master Developer and/or its assignees to timely perform all or any of such Retained Development Rights and Obligations shall not delay or prevent development of or the issuance of building permits or certificates of occupancy for the Assigned Parcel except to the extent such failure by the Master Developer and/or its assignees relates to satisfaction of conditions precedent under the DDA, if any, to the issuance of building permits, such as backbone infrastructure or services to serve the Assigned Parcel, or the timely construction and completion of Rental Affordable Housing as set forth on Attachment No. 3 of the DDA. Approval or acceptance of this Agreement by the Agency shall be deemed to relieve the Master Developer and/or its other assignees from any and all responsibility or liability to the Agency for the Assigned Parcel and the performance of the Assigned Development Rights and Obligations and Agency shall look solely to the Assignee for the performance of such obligations, subject to the rights (but not the obligations) of the Master Developer to enforce such obligations, pursuant to Section 12 of this Agreement, it being understood and agreed that the failure of Assignee for the performance of the Assigned

Development Rights and Obligations shall not delay or prevent development of or the issuance of building permits or certificates of occupancy for the Remaining Site.

b. Without limiting the foregoing, Agency approval of this Agreement shall constitute Agency consent and agreement to the following:

- i. Agency hereby acknowledges and agrees that a default under the DDA with respect to the Remaining Site by any third party (other than Assignee) or by any of their respective agents, employees or contractors, shall not constitute a default or breach of the DDA on the part of Assignee with respect to the Assigned Parcel(s); however, it is understood that a default by the Master Developer under certain circumstances set forth in the DDA, as referenced in the first sentence of subsection (a) of this Section 4, could impact the issuance of building permits for the Assigned Parcel(s).
- ii. Agency is not aware of any breach or default by the Master Developer referred to above with respect to any portion of the Assigned Parcel(s) or the Assigned Development Rights and Obligations hereby transferred to Assignee.
- iii. Pursuant to the DDA, Agency has approved the qualifications and financial capability of Assignee to carry out the development of the Assigned Parcel(s) hereby transferred from Master Developer to Assignee.
- iv. Agency hereby acknowledges and agrees that a default under the DDA by Assignee with respect to the Assigned Parcel which is not caused by the Master Developer shall not constitute a default or breach of the DDA on the part of the Master Developer and/or its other assignees with respect to the Assigned Parcel or the Remaining Site.
- v. The DDA with respect to the Assigned Parcel(s) and the Assigned Development Rights and Obligations may not be amended by the Agency and Assignee in any way that may have a material effect on the Master Developer or its ownership or other interest in the Site or any part thereof, including rights and remedies with respect to the Assigned Parcel(s), without the Master Developer's express written consent so long as the Master Developer retains an ownership or other interest in the Site or any part thereof.
- vi. For the period that the Master Developer retains an interest in the Site or any part thereof under the DDA, the DDA with respect to the Remaining Site and with respect to the Master Developer's Retained Development Rights and Obligations, may be amended without Assignee's consent (but following prior written notice to

Assignee; provided, however, the timely delivery of said notice shall not be a condition to the validity of any such amendment) so long as the amendment does not have a material effect on the Assignee or its ownership or other interest in the Assigned Parcel or any part thereof.

5. Substitution of Assignee. Assignee hereby assumes, as applicable to the Assigned Parcel, all of the burdens and obligations of the Master Developer under the DDA and Agency Deed with respect to the Assigned Rights and Obligations, but not with respect to the Retained Development Rights and Obligations, and agrees to observe and fully perform all of the duties and obligations of the Master Developer under the DDA and Agency Deed as applicable to the Assigned Parcel with respect to the Assigned Rights and Obligations, but not with respect to the Retained Development Rights and Obligations, and to be subject to all of the terms and conditions thereof, with respect to the Assigned Parcel, it being the express intention of both the Master Developer and Assignee that, upon the Effective Date of this Agreement, Assignee shall, subject to the terms and conditions of this Agreement become substituted for the Master Developer as the "Developer" under the DDA and Agency Deed with respect to the Assigned Rights and Obligations, but not with respect to the Retained Development Rights and Obligations, as applicable to the Assigned Parcel.

6. Effective Date. The Effective Date of this Agreement shall be the date of its recordation in the Official Records of the Recorder of Monterey County. The Effective Date of this Agreement shall be entered in the introductory paragraph of this Agreement and this Agreement shall be recorded by the Parties immediately preceding conveyance or transfer of the Assigned Parcel to Assignee.

7. Assignee Representations and Warranties. Assignee warrants and represents to the Agency and Master Developer as a material inducement to its approval of the assignment hereunder, the Assignee has independently reviewed, analyzed, and understands the effect and conditions of the DDA, the Master Developer Implementation Agreement, the Agency Deed, the County's approval of the East Garrison Specific Plan and other Development Approvals (as defined in the DDA) pertinent to the development of the Assigned Parcel. Assignee further warrants and represents to the Agency and the Master Developer that except as may be expressly set forth in Sections 9 and 10 below, it is not relying upon any representations on the part of the Agency, Master Developer or any of their officers, agents or employees as to the status or effect of such matters.

8. Assignment of Development Rights and Obligations Related to the Assigned Parcel(s). As used herein "Assigned Development Rights and Obligations" means all of Master Developer's rights, title and interest (hereinafter collectively "Rights") and obligations, duties, responsibilities, conditions and restrictions (hereinafter collectively "Obligations") under the DDA and Agency Deed to cause the vertical development of the Property for use as Single Family Residences, but only to the extent those Rights or Obligations are applicable to Assignee and/or the Assigned Parcel(s). The Assigned Development Rights and Obligations are set forth or referenced in the following exhibits to this Agreement; which are incorporated herein by reference.

- Exhibit 1: Location and Legal Description of Assigned Parcel(s)
- Exhibit 2: Permitted Uses and Scope of Development for Assigned Parcel
- Exhibit 3: Schedule of Performance for the Assigned Parcel
- Exhibit 4: Provisions of DDA and Agency Deed Applicable to Assigned Parcel
- Exhibit 5: Maximum Rates for Special Taxes - Facilities and Services

Any and all Rights and Obligations not expressly within the Assigned Development Rights and Obligations are hereby retained by the Master Developer and/or its other assignees and the Remaining Site ("Retained Development Rights and Obligations").

9. Other Provisions.

a. Commencement and Completion of Development: The Assignee shall commence and complete development within the time provided therefor in the Schedule of Performance attached hereto as Exhibit 3, subject to Enforced Delays under Section 604 of the DDA.

b. Uses; Scope of Development; Approval of Construction Plans: The Assignee shall use and develop the Assigned Parcel in accordance with the Permitted Uses and Scope of Development for Assigned Parcels attached hereto as Exhibit 2. The Assignee shall submit its construction plans to the County of Monterey for approval pursuant to the Development Approvals, which shall include the Pattern Book.

c. Reversionary Deeds:

i. The Assignee shall deliver to the escrow holder under the Transfer Documents an executed and acknowledged reversionary deed transferring the Assigned Parcel back to the Master Developer in a form reasonably satisfactory to the Master Developer with irrevocable instructions directing the escrow holder to record the reversionary deed upon the Master Developer's written notice that the Assignee has committed an uncured reversionary default under Section 512 of the DDA with respect to the Assigned Parcel.

ii. The Assignee shall deliver to the escrow holder under the Transfer Documents an executed and acknowledged reversionary deed in substantially the form attached to the DDA as Attachment No. 8-B transferring the Assigned Parcel to the Agency with irrevocable instructions directing the escrow holder to record the reversionary deed upon the Agency's written notice that the Assignee has committed an uncured reversionary default under Section 512 of the DDA and the Master Developer has failed to exercise its

remedies pertaining thereto (and after exhaustion of remedies under Section 513).

- iii. Reversionary defaults for purposes of subsections (a) and (b) shall include but not be limited to, as set forth in Section 512 of the DDA, a violation of the Schedule of Performance (Exhibit 3 hereto) or a transfer in violation of the transfer and assignment provisions of the DDA or this Agreement.

10. Agency Approval of Assignment and Conditions of Approval. Subject to the terms and conditions of this Agreement, the Agency hereby approves and consents to (i) the assignment of the DDA and the Agency Deed, as to the Assigned Parcel, to Assignee, and (ii) the assignment of the Assigned Development Rights and Obligations to Assignee.

11. Remedies of Master Developer.

a. Master Developer shall have the right to enforce the provisions of this Agreement and Assignee's obligations under the Assigned Development Rights and Obligations by any appropriate legal or equitable actions and remedies in the event of any delay, failure to perform or breach by Assignee constituting an uncured material default under the provisions of this Agreement or the Assigned Development Rights and Obligations assumed by Assignee.

b. The remedies set forth in the DDA that are available to the Agency in the event of an uncured material default by the Master Developer shall also be available to the Agency and the Master Developer in the event of an uncured material default by the Assignee, including termination of the title of the Assignee in the Assigned Parcel in the first instance in favor of the Master Developer, and if the Master Developer fails to exercise its rights, in favor of the Agency.

12. Remedies of Agency. Subject to the right of Master Developer to first exercise its rights under Section 11 above and relevant provisions of the DDA, Agency shall have the right under the DDA and the Agency Deed to enforce the provisions of this Agreement and the Assigned Development Rights and Obligations by any appropriate legal or equitable actions and remedies in the event of any delay, failure to perform or breach by Assignee constituting an uncured material default under the provisions of this Agreement or the Assigned Development Rights and Obligations assumed by Assignee.

13. Master Developer Deed to Assignee. The deed from the Master Developer to the Assignee shall include, among other things, a condition subsequent to the effect that in the event of an uncured material default by the Assignee and the failure of the Master Developer to enforce the terms of the Assignment and Assumption Agreement or revert title in the Assigned Parcel to the Developer in the first instance, the Agency may declare a termination in favor of the Agency of the title and all of the rights and interests in the Assigned Parcel conveyed by the deed to the Assignee.

14. Successors and Assigns. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, successors and assigns.

15. Amendments. Assignee acknowledges and agrees that Master Developer and Agency may amend the DDA from time to time without the consent of Assignee; provided that no amendment which would have a material effect on the Assignee or its ownership or other interest in the Assigned Parcel or any part thereof shall be effective without the express written consent of Assignee, except as otherwise permitted under the terms of the DDA existing prior to such amendment.

16. Vertical Development Insurance Requirements.

Prior to the commencement of vertical construction on the Assigned Parcel, the Assignee shall furnish or cause to be furnished to the Agency and Master Developer duplicate originals or appropriate certificates of commercial general liability insurance, with an endorsement naming the Agency, the County and Master Developer as additional or co-insureds, in not less than Eight Million Dollars (\$8,000,000) aggregate for each product type within a phase of development.

The Assignee shall, upon request, also furnish or cause to be furnished to the Agency, the County and Master Developer evidence satisfactory to the Agency, the County and Master Developer that any contractor with whom it has contracted for the performance of work on the Site carries workers' compensation insurance as required by law. All insurance policies maintained in satisfaction of this section shall contain a provision requiring the insurance carrier to provide thirty (30) days' prior written notice of any cancellation or termination to the Agency and Master Developer. The obligations set forth in this section shall remain in effect until completion of vertical development on the Assigned Parcel, with a ten-(10-) year period ("tail") for filing of claims following any such event.

17. Agreement to Take Actions to Ensure Fiscal Neutrality, Including Possible Modification to Rate and Method of Apportionment for Special Taxes – East Garrison Community Services District. The parties agree that one of the requirements imposed for the development of the entire Project is that the Project be fiscally neutral to the County of Monterey, and to that end an East Garrison Community Services District ("EGCSD") was created to benefit the Project. Master Developer and Assignee hereby agree to take any and all appropriate actions to ensure fiscal neutrality, including approvals of modifications to the Special Taxes proposed by the EGCSD up to the amounts shown in the chart attached to this Assignment and Assumption Agreement as Exhibit 5, if requested. Master Developer and Assignee further agree that failure to approve such modifications at the time requested by the EGCSD shall constitute an immediate and incurable default allowing for the reversion of the Parcels subject to this Agreement to the Master Developer or Successor Agency, as applicable.

18. General Provisions.

a. Notices. Notices under this Agreement with respect to the Assigned Parcel shall be sent in the manner required by Section 601 of the DDA to Assignee as follows:

BMC EG COURTYARD, LLC
99 Almaden Blvd., Suite 400
San Jose, CA 95113
Attention: Talli Robinson
Phone: (408) 207-9439
Fax: (408) 380-7983

with a copy thereof to the Master Developer as follows:

To: UCP East Garrison, LLC
99 Almaden Blvd., Suite 400
San Jose, CA 95113
Attn: James W. Fletcher
Phone: (408) 207-9405
Fax: (408) 380-7983

With a copy to: W. Allen Bennett, Esq.
Vice President & General Counsel
7815 N. Palm Avenue, Suite 101
Fresno, CA 93711
Phone: (559) 439-4464 x452
Fax: (559) 439-4477

with a copy thereof to the Agency as follows:

To: Successor Agency to the Redevelopment Agency of the County of
Monterey
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901
Attn: Assistant CAO
Phone: (831) 755-5133
Fax: (831) 757-5792

With a copy to: County Counsel
County of Monterey
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901
Phone: (831) 755-5045
Fax: (831) 755-5283

The signatories (including consenting parties) to this Agreement may revise the addresses to whom notices may be sent from time to time, by providing at least two weeks prior written notice.

b. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions.

c. Headings. Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or constraining the terms, covenants or conditions of this Agreement.

d. Severability. Except as otherwise provided herein, if any provision(s) of this Agreement is (are) held invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provisions, and shall remain in full force and effect unless amended or modified by mutual consent of the parties.

e. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute the same instrument, with the same effect as if all of the parties to this Agreement had executed the same counterpart.

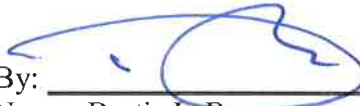
SIGNATURES ON NEXT PAGE

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MASTER DEVELOPER:

UCP EAST GARRISON, LLC, a Delaware limited liability company

By: UCP, LLC, a Delaware Limited Liability Company, its sole member

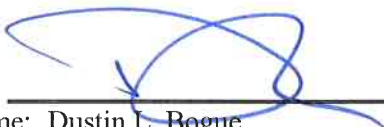
By: 
Name: Dustin L. Bogue
Title: President and CEO

By: _____
Name: W. Allen Bennett
Title: Secretary and General Counsel

ASSIGNEE:

BMC EG COURTYARD, LLC a Delaware limited liability company

By: BMC East Garrison, LLC a Delaware limited liability company

By: 
Name: Dustin L. Bogue
Title: President and CEO

By: _____
Name: W. Allen Bennett
Title: Secretary and General Counsel

APPROVED AND CONSENTED TO

SIGNATURES CONTINUED ON NEXT PAGE


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By: UCP, LLC, a Delaware Limited Liability Company, its sole member

By: _____
Name: Dustin L. Bogue
Title: President and CEO

By:  _____
Name: W. Allen Bennett
Title: Secretary and General Counsel


ASSIGNEE:

BMC EG COURTYARD, LLC a Delaware limited liability company

By: BMC East Garrison, LLC a Delaware limited liability company

APPROVED AND CONSENTED TO

By: _____
Name: Dustin L. Bogue
Title: President and CEO

By:  _____
Name: W. Allen Bennett
Title: Secretary and General Counsel

SIGNATURES CONTINUED ON NEXT PAGE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


State of California

County of Santa Clara

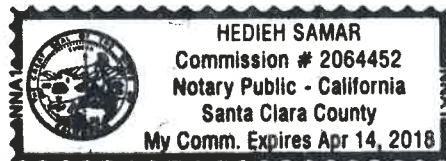
On May 29, 2015 before me, Hedieh Samar, Notary Public, personally appeared Dustin L. Bogue, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized 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 of Notary Public



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

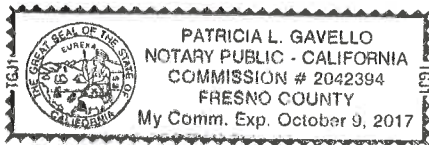
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Fresno

On May 29, 2015 before me, Patricia L. Gavello, Notary Public, personally appeared W. Allen Bennett, who 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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.

A handwritten signature in blue ink that reads 'Patricia L. Gavello'. The signature is written in a cursive style and is positioned above a horizontal line.

Signature of Notary Public

**SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE COUNTY OF MONTEREY**

By: Nicholas Clark
Title: Asst. CAO

"AGENCY"

**ACKNOWLEDGED AND
ACCEPTED:**

COUNTY OF MONTEREY

By: Chris Hill
Title: RMA DIRECTOR

"COUNTY"

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____,

Dated

Here insert Name and Title of Officer

personally appeared _____,

Name(s) of Signer(s)

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 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 of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____,
Dated Here insert Name and Title of Officer
personally appeared _____,
Name(s) of Signer(s)

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 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 of Notary Public

EXHIBIT 1

**LOCATION AND
LEGAL DESCRIPTION OF ASSIGNED PARCEL**

Legal Description
East Garrison - Courtyard Lots, Phase 1

Lots 1-22, 30-37, 156-163, and 170-181 as shown on that certain map entitled "Tract No. 1489, East Garrison Phase One", filed for record on June 28, 2007, in Volume 24 of Cities and Towns, at page 7, filed in the Office of the County Recorder, County of Monterey, State of California.

Excepting therefrom all mineral rights with the right of surface entry as reserved in the "Quitclaim Deed for a Portion of Former Fort Ord, Monterey, California", executed by the United States of America, in favor of the Fort Ord Reuse Authority, recorded May 19, 2006, Instrument No. 2006-045190, Official Records, Monterey County. Said document was re-recorded and amended January 12, 2007, Instrument No, 2007-03370, Official Records, Monterey County.

EXHIBIT 2

Notice of Approved Conformance Determination

NOTICE IS HEREBY GIVEN that on **Tuesday, January 6, 2015** the Director of Resource Management Agency - Planning of the County of Monterey, State of California approved the project described below for a Conformance Determination with the East Garrison Community, which will allow for:

Owner:	UCP East Garrison LLC
Project File No.:	REF140101
Project Location:	McClellan Circle, East Garrison
Assessor's Parcel No.:	031-162-001-000 – 031-162-022-000; 031-162-094-000 – 031-162-010-000; 031-163-001-000 – 031-163-008-000
Permit Type:	Conformance Determination
Planning Area:	East Garrison Specific Plan
Environmental Status:	Consider the previously certified EIR for the East Garrison Specific Plan
Project Description:	Allow a minor variation from the lot layout illustrated on page B-10 of the East Garrison Pattern Book to modify the Paseo setback locations, and modify corresponding fence locations for Courtyard Lots illustrated on page D-11.

Note: The appeal must be filed in writing no later than 5:00 PM **January 20, 2015**.

FOR ADDITIONAL INFORMATION CONTACT:

Anna V. Quenga, Associate Planner
Monterey County Resource Management Agency-Planning
168 West Alisal St, 2nd Floor, Salinas CA, 93901
(831) 755-5175 or quengaav@co.monterey.ca.us

**Before the Director of RMA-Planning
in and for the County of Monterey, State of California**

In the matter of the application of:

EGSP CONFORMANCE DETERMINATION (REF140101)

RESOLUTION NO. 15-001

Resolution by the Monterey County Director of RMA-Planning:

- 1) Considering the previously certified EIR for the East Garrison Specific Plan (EGSP); and
- 2) Approving the East Garrison Specific Plan (EGSP) Conformance Determination for Phase I Courtyard Lots allowing a minor variation from the lot layout and the fence locations for Courtyard Lots illustrated on page B-10 and D-11 of the East Garrison Pattern Book, Appendix A of the EGSP.

(REF140101), EGSP Conformance Determination, McClellan Circle, East Garrison Specific Plan (APN: 031-162-001-000 through 031-162-022-000; 031-162-094-000 through 031-162-010-000; and 031-163-001-000 through 031-163-008-000).

The EGSP Conformance Determination (REF140101) came on for an administrative hearing before the Monterey County Director of RMA-Planning on January 6, 2015. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Director of RMA-Planning finds and decides as follows:

FINDINGS

1. **FINDING:** **CONSISTENCY** – The development is consistent with the East Garrison Specific Plan (EGSP) and substantially conforms to the standards, regulations and guidelines of the EGSP and other applicable Monterey County ordinances.
EVIDENCE:
 - a) No conflicts were found to exist. No communications were received during the course of review of the project indicating any inconsistencies with the text, policies, and regulations in these documents.
 - b) The project has been reviewed for site suitability by RMA-Planning and there has been no indication that the site is not suitable for the proposed development.
 - c) The East Garrison Pattern Book, Appendix A of the EGSP, includes illustrations for the Courtyard Lot layout (page B-10). As approved, the Paseo Zone consists of a 2,750 square foot area that runs perpendicular to the street frontage, creating a courtyard appearance between four existing lots. The applicant proposes a minor variation to this zone as it will allow superior placement of the single family dwellings. As a result of the change, the Paseo Zone will be modified and increased to 3,200 square feet. The appearance and the sense of a

courtyard will remain and therefore will be in substantial conformance with the Pattern Book.

- d) The East Garrison Pattern Book, Appendix A of the EGSP, includes illustrations for fence locations for Courtyard Lots (page D-11). The text contained on this page states that rear yard fence zones have been "increased to allow the fence to return to the back of the main body of the house, wherever it may be sited." As a result of the modification of the Paseo Zone, the applicant proposes to further increase the fence location into the setback at the rear to allow a fence to extend to the main body of the house. The modification to the fence location is consistent with the EGSP and the above mentioned text.
- e) The parcels resulting from the modification to the Paseo Zone and fence locations conform to the site development standards listed in the East Garrison Pattern Book.
- f) The proposed changes to the Paseo Zone and Courtyard fence locations meet the requirements of 6.4, Conformance Determinations, of the EGSP.
- g) The application, plans and supporting materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development are found in Project File REF140101.

- 2. **FINDING:** **HEALTH AND SAFETY** - The development will not adversely affect public health, safety or welfare.
EVIDENCE:
 - a) The project was reviewed by the RMA-Planning to ensure that the project will not have an adverse effect on the health, safety, and welfare of persons either residing or working in the neighborhood.
 - b) The application, plans and supporting materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development are found in Project File REF140101.

- 3. **FINDING:** **MINOR VARIATION** - The variation from the East Garrison Specific Plan is minor in nature.
EVIDENCE:
 - a) The modification to the Paseo Zone is minor in nature. See Finding No. 1, Evidence c.
 - b) The modification to the Courtyard fence location is minor in nature. See Finding No. 1, Evidence d.
 - c) The application, plans and supporting materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development are found in Project File REF140101.

- 4. **FINDING:** **ADJACENT PROPERTY** – The development will not adversely affect adjacent property.
EVIDENCE:
 - a) The Courtyard Lots are located primarily on a continuous block on the northern portion of the site. The proposed modifications will not affect conformance of these lots or any adjacent lots.
 - b) See preceding Finding No. 2.

- 5. **FINDING:** **CEQA** – The development will not have environmental effects that have not been previously analyzed.
EVIDENCE:
 - a) An EIR for the East Garrison Specific Plan (EGSP) was prepared and certified by the Board of Supervisors on October 4, 2005 (Board of

Supervisors Resolution No. 05-264).

- b) No substantial changes are proposed or will occur as a result of the minor variation to the Paseo Zone and fence location of the Phase I Courtyard Lots.
- c) The application, project plans, and related support materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development found in Project File REF140101.

6. **FINDING:** **APPEALABILITY** - The decision on this project may be appealed to the Planning Commission.
- EVIDENCE:** Section 6.4.8, Appeals, of the East Garrison Specific Plan (Planning Commission).

DECISION

NOW, THEREFORE, based on the above findings and evidence, the Director of RMA-Planning does hereby:

- A. Consider the previously certified EIR for the East Garrison Specific Plan; and
- B. Approve the East Garrison Specific Plan (EGSP) Conformance Determination for Phase I Courtyard Lots allowing a minor variation from the lot layout and the fence locations for Courtyard Lots illustrated on page B-10 and D-11 of the East Garrison Pattern Book, Appendix A of the EGSP, in general conformance with the modifications illustrated in the document being attached hereto and incorporated herein by reference.

PASSED AND ADOPTED this 6th day of January, 2015.



Mike Novo, Director of RMA-Planning

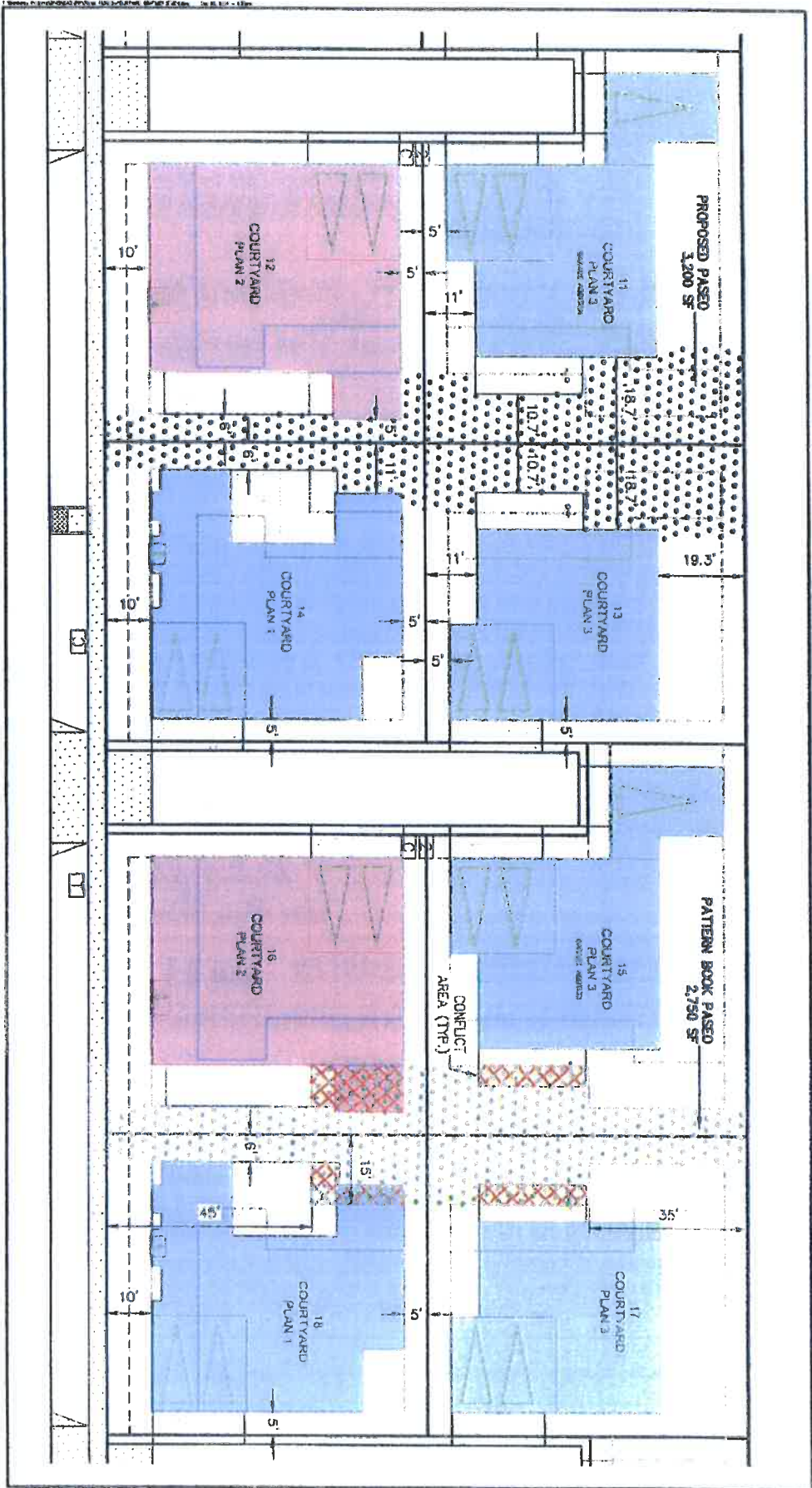
COPY OF THIS DECISION MAILED TO APPLICANT ON **JAN 09 2015**

THIS APPLICATION IS APPEALABLE TO THE PLANNING COMMISSION.

IF ANYONE WISHES TO APPEAL THIS DECISION, AN APPEAL FORM MUST BE COMPLETED AND SUBMITTED TO THE SECRETARY OF THE PLANNING COMMISSION ALONG WITH THE APPROPRIATE FILING FEE ON OR BEFORE **JAN 20 2015**

This decision, if this is the final administrative decision, is subject to judicial review pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6. Any Petition for Writ of Mandate must be filed with the Court no later than the 90th day following the date on which this decision becomes final.

"ATTACHMENT 1" COURTYARD LOT STUDY



NOTE: BASED ON OCTOBER 24, 2014 ARCHITECTURE

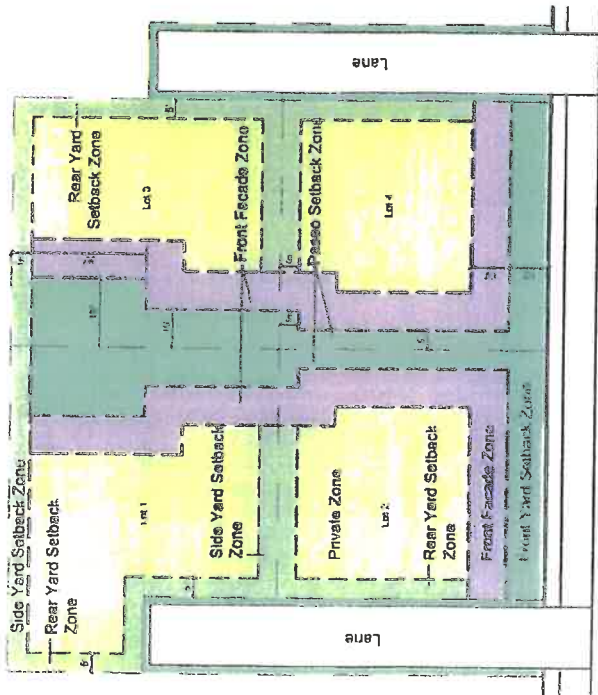
COURTYARD LOTS PATTERN BOOK COMPARISON
EAST GARRISON
 MONTEREY COUNTY, CALIFORNIA

Whitson Engineers
 9899 Blue Larkspur Lane | Suite 105 | Monterey, CA 93940 | 831 649-6226 | F 831 373-6065
 CIVIL ENGINEERING • LAND SURVEYING • PROJECT MANAGEMENT | WWW.WHITSONENGINEERS.COM
 Project No.: 2815.31



DEC. 10, 2014
 Sheet 1 of 1

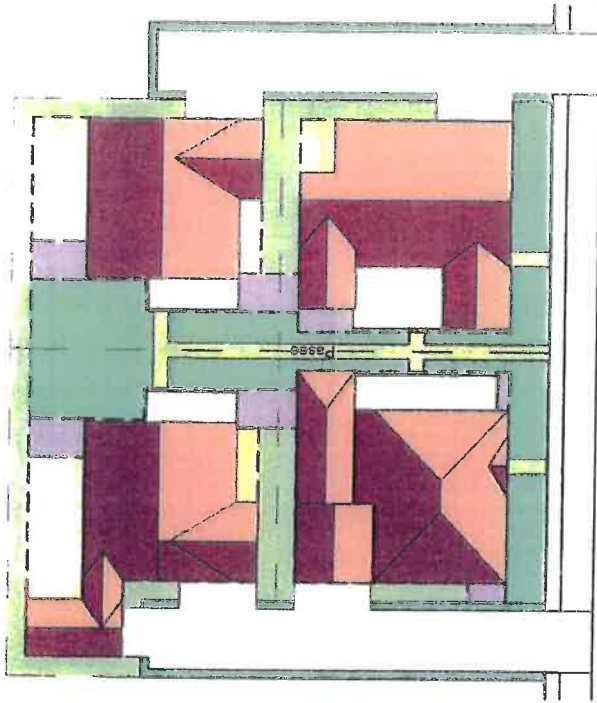




Plan of Courtyard zones and setbacks

Courtyard Lots – General Conditions

- Lot Size**
Courtyard lots are approximately 65 feet wide by 70 feet deep.
- Front Yard Setback/ Front Facade Zone**
Minimum ten-foot setback from the front property line to the house. The front facade of the house may be located anywhere within the adjacent ten-foot-deep Front Facade Zone. A minimum of 50% of the front facade shall be within the Front Facade Zone.
- Side Yard Setback**
Minimum five-foot setback from the side property line. All setbacks not designated Front or Rear are Side Yard.
- Rear Yard Setback**
All structures shall be set back a minimum of five feet from the lane right-of-way or the rear property line.
- Garage Requirements**
Garages shall be located a minimum of five feet from the rear lane right-of-way. A minimum of two parking spaces per unit is required.
- Fencing Recommendations**
Front yard fences are permitted upgrades. Rear and side yard fences are required for privacy. For permitted fence location and additional fencing guidelines, see the Landscape Patterns section of this Pattern Book (D 11).



Illustrative plan of Courtyard house placement on lots

- Open Space Requirement**
Fifteen percent of the buildable lot area (Private and Front Facade Zones) shall be maintained as open space.
- Accessory Unit (Cottage House)**
An accessory unit is permitted at the head of the lane over the garage. A minimum of one additional off-street parking space is to be provided for the accessory unit.
- Living Area Limit**
The maximum living area limit for Courtyard Lots is 3510 square feet.



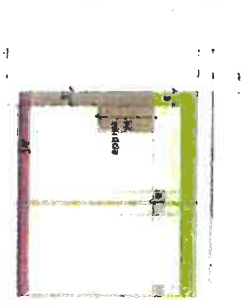
Courtyard Lots

Permitted Fence Locations

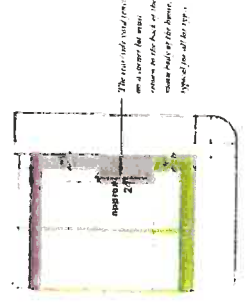


New Permitted Fence Locations

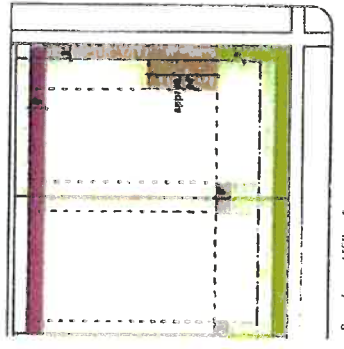
-  Lane Fence Zone
-  Rear/Side Yard Front Fence Zone
-  Rear/Side Yard Rear Fence Line
-  Front Yard Fence Line
-  Front Yard Fence Zone



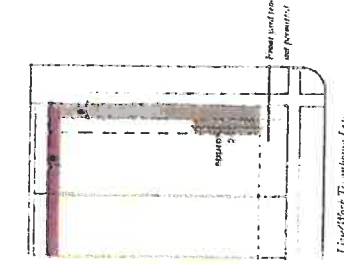
Grove and Cantina Lot



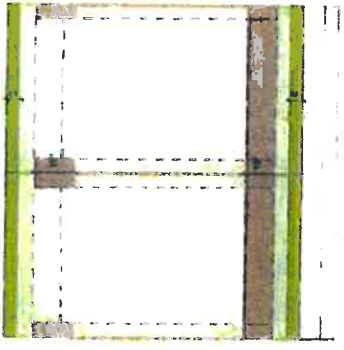
Townhouse Lot



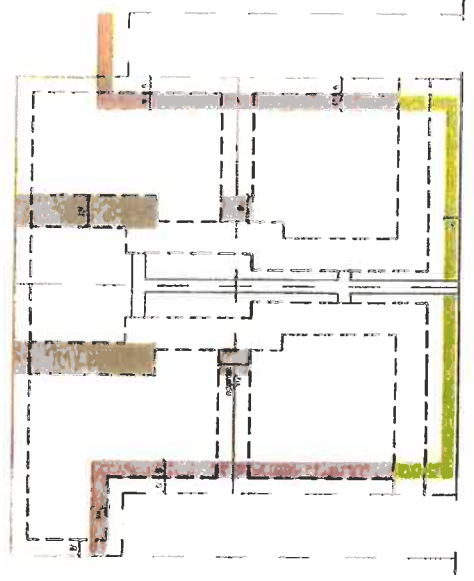
Ringside and Village Lot



Live/Work Townhome Lot



Bluff Lot



Corridor Lot

Permitted Fence Locations

EXHIBIT 3

1	CONCEPTUAL ARCH. PLANS APPROVE	9/12/14	Complete
2	FIRST PLAN SUBMITTAL	3/2/15	Complete
3	GO OUT TO BID	3/16/15	Complete
4	BIDDABLE LANDSCAPE PLANS	4/15/15	Complete
5	APPROVED ARCHITECTURE	5/29/15	
6	ENTITY TRANSFER	6/30/15	
7	MODEL START	8/6/15	
8	BRE CONDITIONAL	7/27/15	
9	BRE WHITE FINAL	8/27/15	
10	PRODUCTION START	7/29/15	
11	GRAND OPENING	2/16/16	
12	FIRST COE	3/30/16	

EXHIBIT 4

PROVISIONS OF DDA AND
AGENCY DEED APPLICABLE TO ASSIGNED PARCEL

A. APPLICABLE DDA PROVISIONS.

The following provisions of the DDA are hereby incorporated by reference and shall be applicable to the rights and obligations of Assignee with respect to the Assigned Parcel only, and shall be interpreted and applied in a manner consistent with the terms of this Agreement. It is recognized that certain of the DDA provisions listed below will be recorded concurrently with Master Developer's quitclaim deed for the conveyance of the Assigned Parcel to the Assignee or its permitted successor or assign and that certain of the DDA provisions listed below will have been satisfied at the time of and as a condition to such conveyance of the Assigned Parcel or shall have been incorporated into the Master Developer's quitclaim deed to Assignee or its permitted successor or assign.

Wherever the term "Developer" is used in any of the sections set forth below, such term shall refer to the Assignee of this Agreement and further, shall include any permitted nominee, transferee, assignee or successor in interest to the DDA, unless otherwise expressly stated herein. The term "Master Developer" as used herein refers to UCP East Garrison, LLC, a Delaware limited liability company.

Any of the rights held by the Agency in any of the Sections set forth below (such as rights of review, approval, consent, notification, etc.) shall also be deemed to be rights of the Master Developer. Whenever Assignee is required pursuant to the terms set forth below to provide notice or request the consent or approval of the Agency, the Assignee shall also be required to provide notice or request consent or approval from the Master Developer.

Specifically with regard to Section 321, Prevailing Wages, Assignee acknowledges the obligation to follow prevailing wage law with respect to its development of the Parcel(s) assigned pursuant to this Agreement, as well as its obligation to provide payroll information to the County of Monterey and pay the County's costs for monitoring and reporting, as set forth in Section 321 of the DDA and that separate agreement with the Successor Agency to the Redevelopment Agency of the County of Monterey, executed concurrently with this Agreement.

The term "Site" as used in the Sections set forth below shall mean the Assigned Parcel.

[§107] The Developer

[§108] Special Phasing Conditions: Deed-Restricted Affordable Housing

[§204] "AS IS" Conveyance; Release by Developer

[§205] Agency Financial Assistance: Developer's Evidence of Financing

- [§302] Scope of Development
- [§304] Construction Schedule
- [§306] County and Other Governmental Agency Permits
- [§307] Rights of Access
- [§308] Local, State and Federal Laws
- [§309] Antidiscrimination During Construction
- [§310] Responsibilities of the Agency
- [§311] Taxes, Assessments, Encumbrances and Liens
- [§312] Prohibition Against Transfer of Site, the Buildings or Structures Thereon and Assignment of Agreement
- [§314] No Encumbrances Except Mortgages, Deed of Trust, Sales and Lease-Backs or Other Financing for Development
- [§315] Holder Not Obligated to Construct Improvements
- [§316] Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure.
- [§317] Failure of Holder to Complete Improvements
- [§318] Right of Agency to Cure Mortgage, Deed of Trust or Other Security Interest Default
- [§319] Right of the Agency to Satisfy Other Liens on the Site After Title Passes
- [§320] Certificate of Completion
- [§321] Prevailing Wages
- [§401] Uses
- [§402] Obligation to Refrain From Discrimination
- [§403] Form of Nonsegregation Clauses
- [§404] Effect and Duration

- [§405] Rights of Access – Public Improvements and Facilities
- [§501] Defaults - General
- [§503] Institution of Legal Actions
- [§504] Applicable Law; Interpretation
- [§506] Rights and Remedies are Cumulative
- [§507] Damages
- [§508] Specific Performance
- [§512] Right of Reverter
- [§513] Dispute Resolution; Legal Action
- [§601] Notices, Demands and Communications Between the Parties
- [§602] Conflicts of Interest
- [§603] Nonliability of Agency or Developer Officials and Employees
- [§604] Enforced Delay; Extension of Times of Performance
- [§605] Inspection of Books and Records
- [§606] Plans and Data
- [§607] Attorneys' Fees
- [§608] No Third Party Beneficiaries
- [§610] General Indemnity
- [§611] Mechanics' Liens
- [§612] Government Functions of Agency; No Joint Venture or Third Party Liability

Attachments and Exhibits: As referred to in the Sections above and including, without limitation:

- (1) [Attachment No. 9] Scope of Development.
- (2) [Attachment No. 4F] Community Services District

EXHIBIT 5

**MAXIMUM RATES FOR SPECIAL TAXES
FACILITIES AND SERVICES**

**EAST GARRISON PUBLIC FINANCING AUTHORITY
COMMUNITY FACILITIES DISTRICT No. 2006-1
(EAST GARRISON PROJECT)**

**AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax applicable to each Assessor's Parcel in CFD No. 2006-1 shall be levied and collected according to the tax liability determined by the Board, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2006-1, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2006-1 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other parcel map recorded with the County.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the Authority carrying out its duties with respect to CFD No. 2006-1, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the Authority in any way related to the establishment or administration of CFD No. 2006-1.

"Administrator" means the person or firm designated by the Authority to administer the Special Taxes according to this RMA.

“Affordable Rental Units” means, in any Fiscal Year, all Residential Units within CFD No. 2006-1 that (i) are rental units that cannot be sold to an individual owner, (ii) have a deed restriction recorded on title of the property that limits the amount that can be charged to rent the Residential Units, and (iii) have not in any prior Fiscal Year been taxed as For-Sale Residential Units.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel number.

“Authority” means the East Garrison Public Financing Authority.

“Authorized Facilities” means those facilities that are authorized to be funded by CFD No. 2006-1.

“Authorized Services” means those services that are authorized to be funded by CFD No. 2006-1.

“Board” means the Governing Board of the East Garrison Public Financing Authority.

“Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the Authority for CFD No. 2006-1 under the Act.

“Capitalized Interest” means funds in a capitalized interest account available to pay debt service on Bonds issued for CFD No. 2006-1.

“CFD” or **“CFD No. 2006-1”** means the East Garrison Public Financing Authority Community Facilities District No. 2006-1 (East Garrison Project).

“County” means the County of Monterey.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction was issued on or prior to June 30 of the preceding Fiscal Year.

“East Garrison Vesting Tentative Map” means the vesting tentative map for the East Garrison project that was approved by the County Board of Supervisors on October 4, 2005.

“Excess Public Property” means the acres of Public Property that exceed the acreage exempted in Section F below. In any Fiscal Year in which a Facilities Special Tax must be levied on Excess Public Property pursuant to Step 3 in Section D.1 below, Excess Public Property shall be those Assessor’s Parcel(s) that most recently became Public Property based on the dates on which final maps recorded creating such Public Property.