

EXHIBIT B

FIRST AMENDMENT TO URBAN SERVICES AGREEMENT

BY AND BETWEEN THE COUNTY OF MONTEREY AND THE EAST GARRISON COMMUNITY SERVICES DISTRICT RELATING TO EAST GARRISON

THIS FIRST AMENDMENT TO URBAN SERVICES AGREEMENT ("Original Agreement") is entered into on March 12, 2013 ("Effective Date"), by and between the COUNTY OF MONTEREY, a political subdivision of the State of California ("County"), and the EAST GARRISON COMMUNITY SERVICES DISTRICT, a community services district formed pursuant to Government Code section 61000, *et seq.* ("CSD") (each a "Party" and collectively the "Parties").

RECITALS

A. On July 18, 2006 the Board of Supervisors approved an *Urban Services Agreement* between the County of Monterey and the East Garrison Community Services District in compliance with Condition of Approval No. 199 to Combined Development Permit No. PLN 303204 (the East Garrison Development Project).

B. UCP East Garrison, LLC ("New Developer") has acquired all rights, title and interest to the East Garrison development project, including the *Disposition and Development Agreement* (DDA) pursuant to a foreclosure process as evidenced in that certain Trustee's Deed Upon Sale ("Trustee's Deed") recorded September 9, 2009 in the Official Records under Recorder's Series Number 2009-057220. The DDA was subsequently assigned to and assumed by Seller by that certain *Implementation Agreement* by and between the County and Seller dated June 28, 2011 ("Seller Implementation Agreement").

C. The New Developer is proceeding with the development of East Garrison as Master Developer.

D. The Parties hereto have determined it would be in the best interest of both Parties to amend the Urban Services Agreement as found herein to provide to modify the allocation of infrastructure maintenance responsibilities to facilitate the continued achievement of the "fiscal neutrality" requirement as follows:

1. CSD responsibility to fund and maintain the on-site storm drain basins and collection system will be clarified to include those portions of public streets and easements necessary for such maintenance. This was not clear in the original Agreement language.

2. Responsibility to fund the County Public Works Department's costs to maintain the County "perimeter" roads adjacent to East Garrison (Watkins Gate Rd., West Camp Street, and Intergarrison Connector), including traffic signals and medians, will be reassigned from the Homeowners Association to the CSD.

3. Responsibility to maintain landscaping in the interior neighborhood parks and common areas will be reassigned from the CSD to the Homeowners Association. Individual private front yards will be maintained by the HOA.

4. Responsibility to provide recreational programs at the several small 1-acre neighborhood parks will be reassigned from the County Parks Department to the Homeowners Association, leaving in place the requirement for the County to provide such programs at Lincoln Park.

E. Both the CSD and the County have the power to enter into this First Amendment, have taken all steps necessary to enter into this First Amendment, and have determined that all of the above recitals are true and correct.

NOW, THEREFORE, in consideration of the promises and provisions set forth herein, the Parties hereby agree that the Urban Services Agreement is amended as follows:

1. Amend Paragraph 3(a)(ii)(ff) Recreation Facilities and Programs to read as follows: "Provide recreational programs at the 6.8-acre Lincoln Park as shown on Exhibit 2 attached hereto and made a part hereof."

2. Amend Paragraph 4(a) Drainage, Stormwater, and Flood Control System to read as follows: "Maintain drainage, stormwater facilities and systems, and retention basins for flood control as shown in Exhibit 3 attached hereto and made a part hereof, for the protection of all public facilities within the CSD, with funding provided by the CFD special tax."

3. Amend Paragraph 4(b) Parks and Open Space to read as follows: "Maintain Lincoln Park and other Open Space as shown in Exhibit 4 attached hereto and made a part hereof, with funding provided by the CFD special tax."

4. Add NEW PARAGRAPH 4(d) East Garrison Perimeter Public Roadways to read as follows: "Provide funding for County's costs to maintain all perimeter public roadways, streets, collectors, within and adjacent to East Garrison, including medians and signalization, with funding provided by the CFD special tax. A map showing the East Garrison Perimeter Public Roadways is attached hereto as Exhibit 5 and made a part hereof."

5. DELETE Paragraph 5(a)(i) East Garrison Perimeter Public Roadways, and INSERT NEW Paragraph 5(a)(i) Landscaping and Open Spaces to read as follows: "Provide maintenance of landscaping in common areas and individual front yards, signage, lighting, monuments, sound walls and other noise mitigation measures, buffers, grade separation, bridges, sidewalks, multi-purpose paths, together with community and neighborhood entries as shown on Exhibit 6 attached hereto and made a part hereof."

6. Amend Paragraph 5(a)(iii) Private Roadways to read as follows: "Fund and maintain all private roadways, streets, collectors, and alleys within East Garrison, including entry statements, as shown in Exhibit 7 attached hereto and made a part hereof."

7. Amend Paragraph 5(c) to DELETE “Salinas Rural Fire District (SRFD)” and INSERT “Monterey County Regional Fire Protection District (MCRFPD)”.

8. Funding for CSD Public Services. The table of financing for Public Services in East Garrison is amended to read as follows:

Public Service	Proposed Funding Source
Recreation Maintenance and Programs Library Services/Maintenance Sheriff Custody Operations/Coroner/Public Administrator Other General Fund Expenses	County General Fund
East Garrison Perimeter Roadways (Public) Drainage, Stormwater and Flood Control Systems in Public Rights of Way or Easements Lincoln Park and Open Space Sheriff Protection	CFD Special Tax/CSD
Fire Protection	MCRFPD Special Tax
Front Yards of Private Homeowner Property Neighborhood Parks and Open Space Private Roadways Transit Services Entry Statements Drainage and Stormwater Systems in Private Rights of Way or Easements	HOA Fees

IN WITNESS WHEREOF, the parties hereby execute this First Amendment to the Urban Services Agreement dated July 18, 2006, as of the day and year last written below:

COUNTY OF MONTEREY

EAST GARRISON COMMUNITY SERVICES DISTRICT

by: _____
Fernando Armenta
Chair, Board of Supervisors

by: _____
Fernando Armenta
Chair, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM:
County Counsel

APPROVED AS TO FORM:
Community Services District Counsel

by: Cynthia L. Olson
Deputy

by: Cynthia L. Olson
Deputy

Date: 2-20-13

Date: 2-20-13

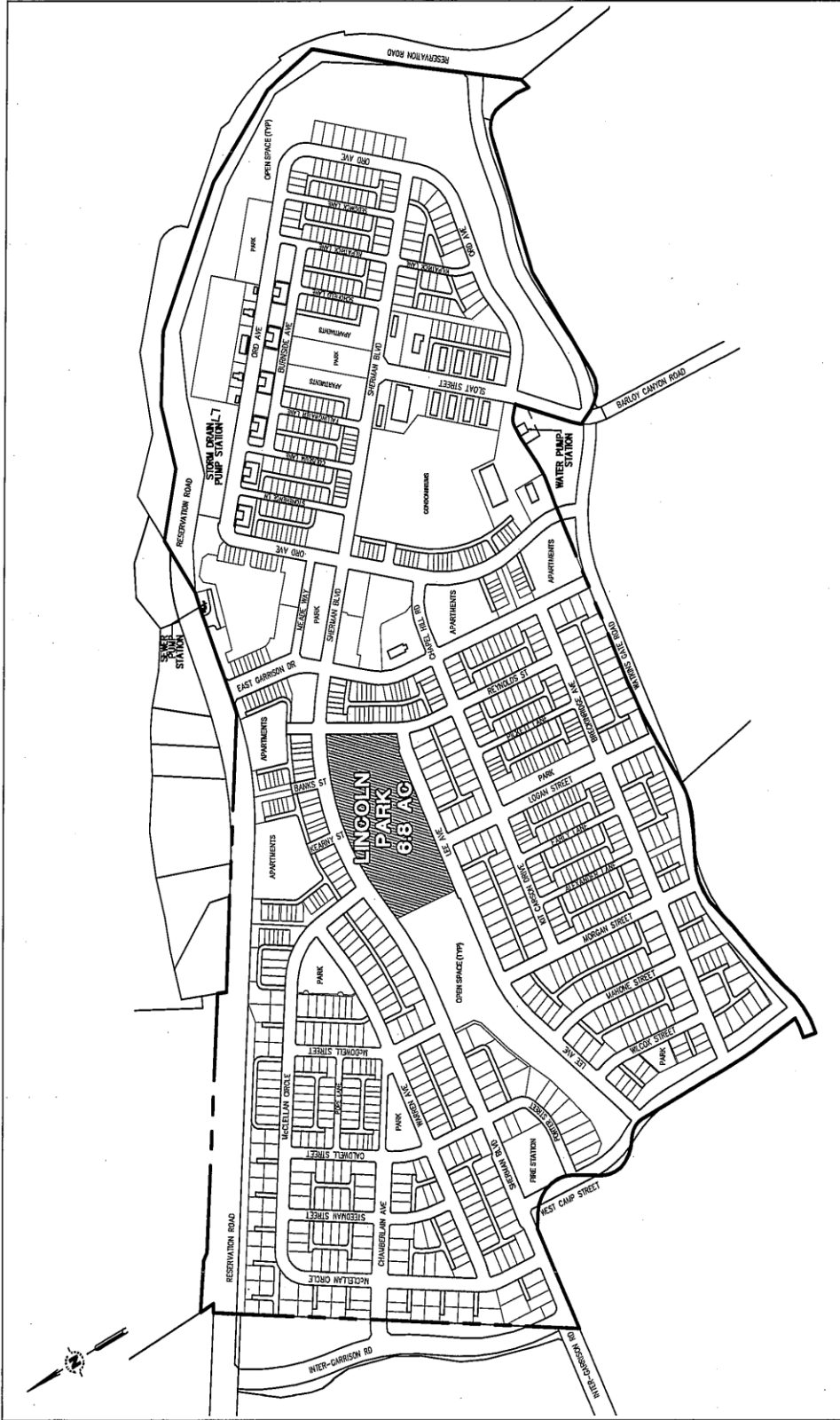
UCP EAST GARRISON, LLC, acting as and on behalf of the EAST GARRISON HOMEOWNERS ASSOCIATION, hereby acknowledges and agrees to this *First Amendment to the Urban Services Agreement* between the County of Monterey and the East Garrison Community Services District.

UCP East Garrison, LLC,
a Delaware limited liability company

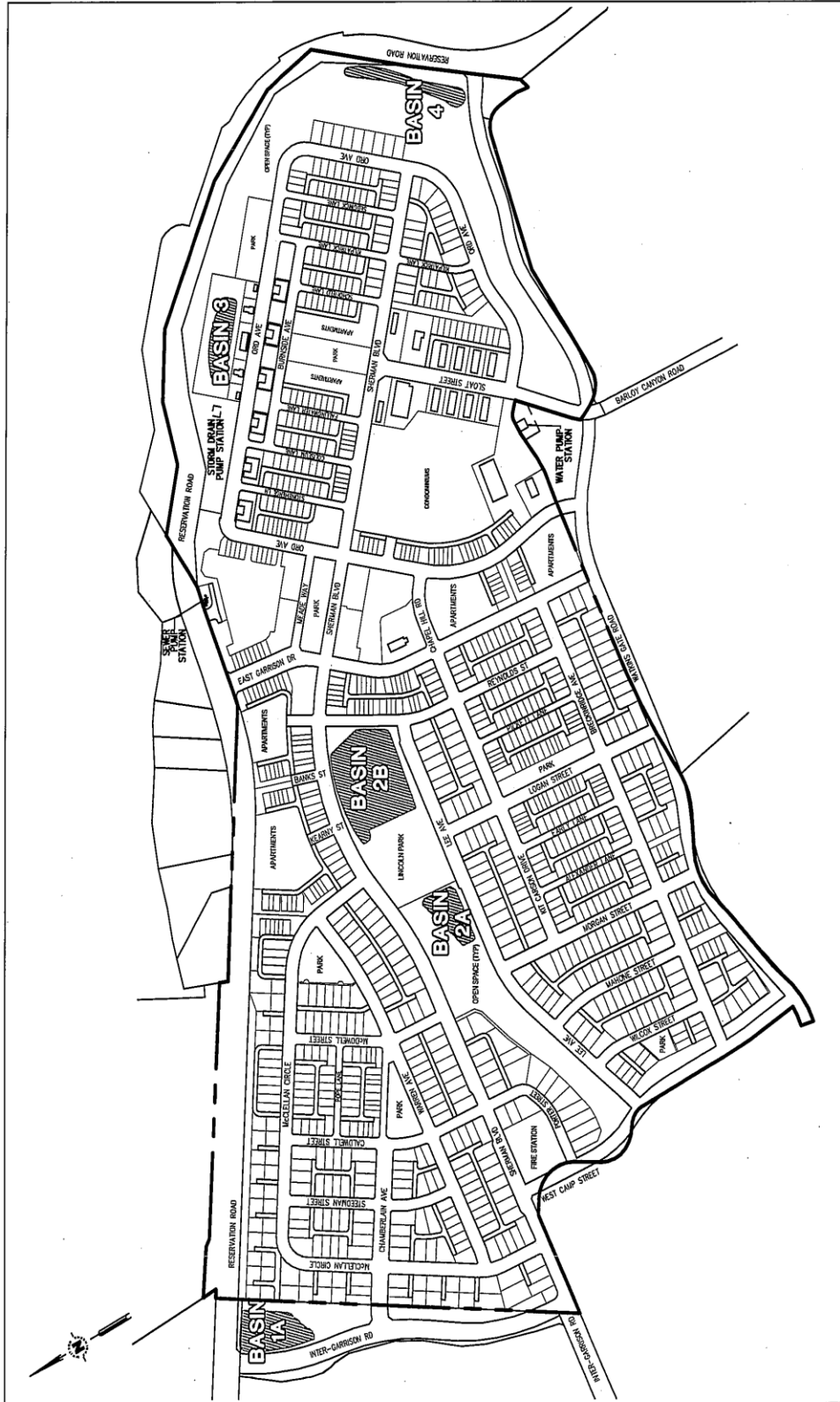
By: UCP, LLC, a Delaware limited liability company
Its: Sole Member


Dated: February 5, 2013

By: James W. Fletcher
Name: James W. Fletcher
Title: COO



	MONTEREY COUNTY	CALIFORNIA	DATE: AUG 30, 2012	EXHIBIT
	LINCOLN PARK		SCALE: 1" = 60'	2
EAST GARRISON		DRAWN: APH CHECKED: RPW PROJECT No.: 2615.00		
DRAWING PATH: T:\Monterey Projects\2615\CAD\Exhibits-WE\USA\2-Lincoln Park.dwg WHITSON ENGINEERS - 6699 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940 - TEL (831) 649-5225 - FAX (831) 373-5065 - WWW.WHITSONENGINEERS.COM				





STORMWATER BASINS

MONTEREY COUNTY

EAST GARRISON

DRAWING PATH: T:\Monterey Projects\2615\CAD\Exhibits-WE\USA13-Basins.dwg

WHITSON ENGINEERS - 9689 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940 - TEL (831) 648-5225 - FAX (831) 648-5265 - WWW.WHITSONENGINEERS.COM

DATE: AUG 30, 2012

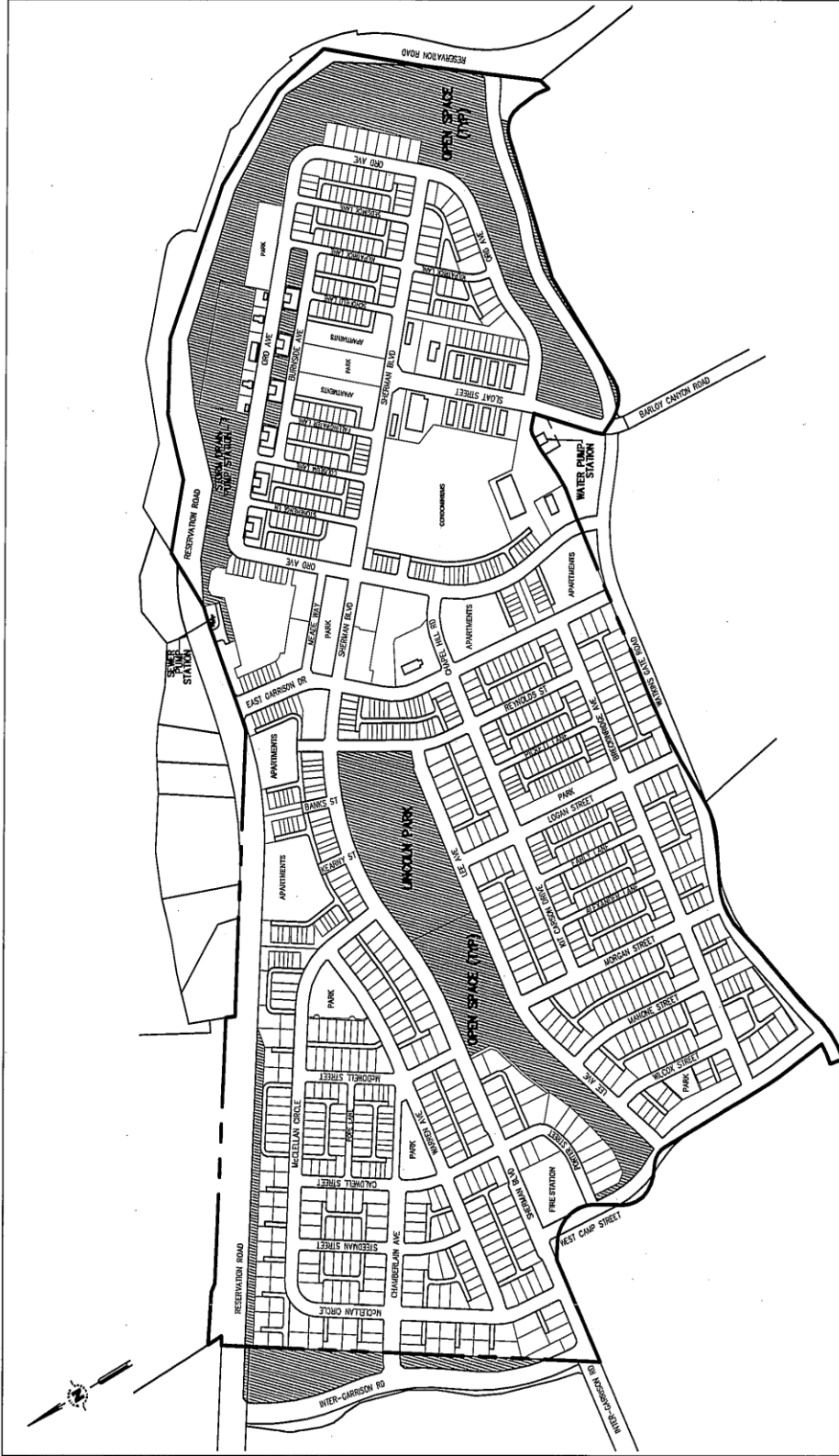
SCALE: 1" = 600'


DRAWN: APH

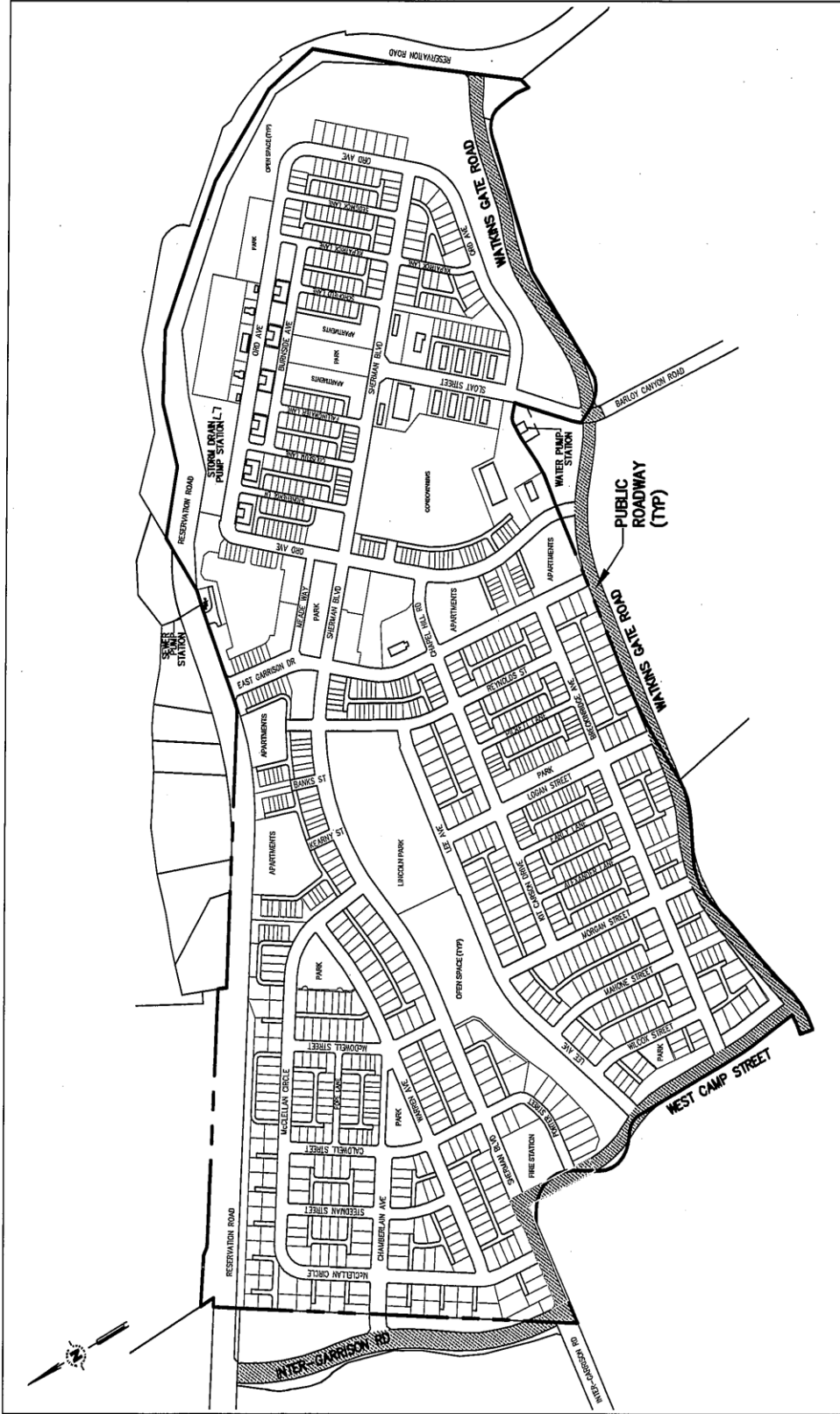
CHECKED: RPW


PROJECT No.: 2615.00

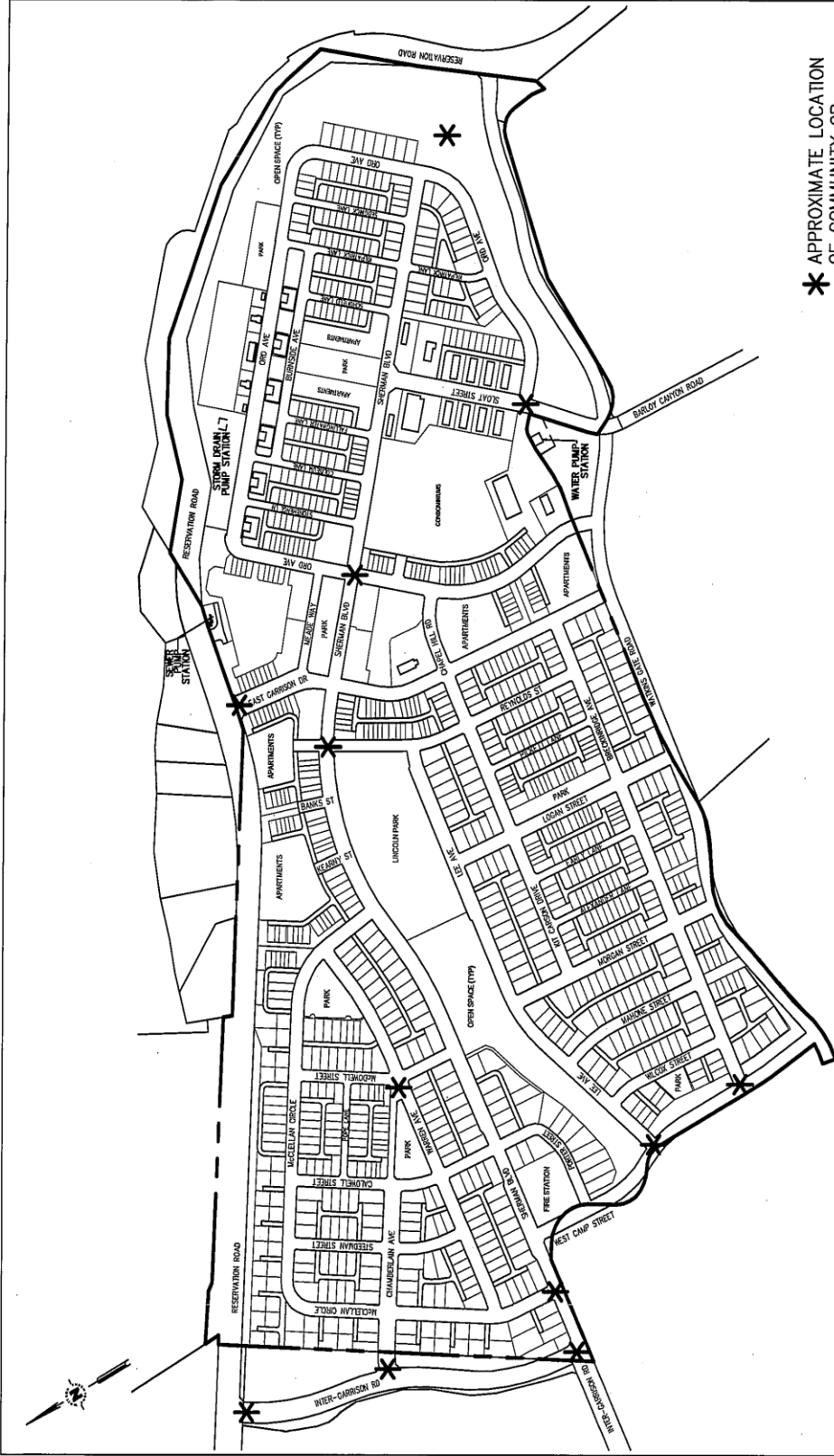
EXHIBIT **3**




	CSD MAINTAINED PARKS AND OPEN SPACE MONTEREY COUNTY		DATE: AUG 30, 2012 SCALE: 1" = 600' DRAWN: APH CHECKED: RPW PROJECT No.: 2615.00 TEL (831) 649-5225 - FAX (831) 373-5065 - WWW.WHITSONENGINEERS.COM
	EAST GARRISON DRAWING PATH: T:\Monterey Projects\2615\CAD\Exhibits-WELUSAV-CSD PARKS.dwg 9699 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940		EXHIBIT 4

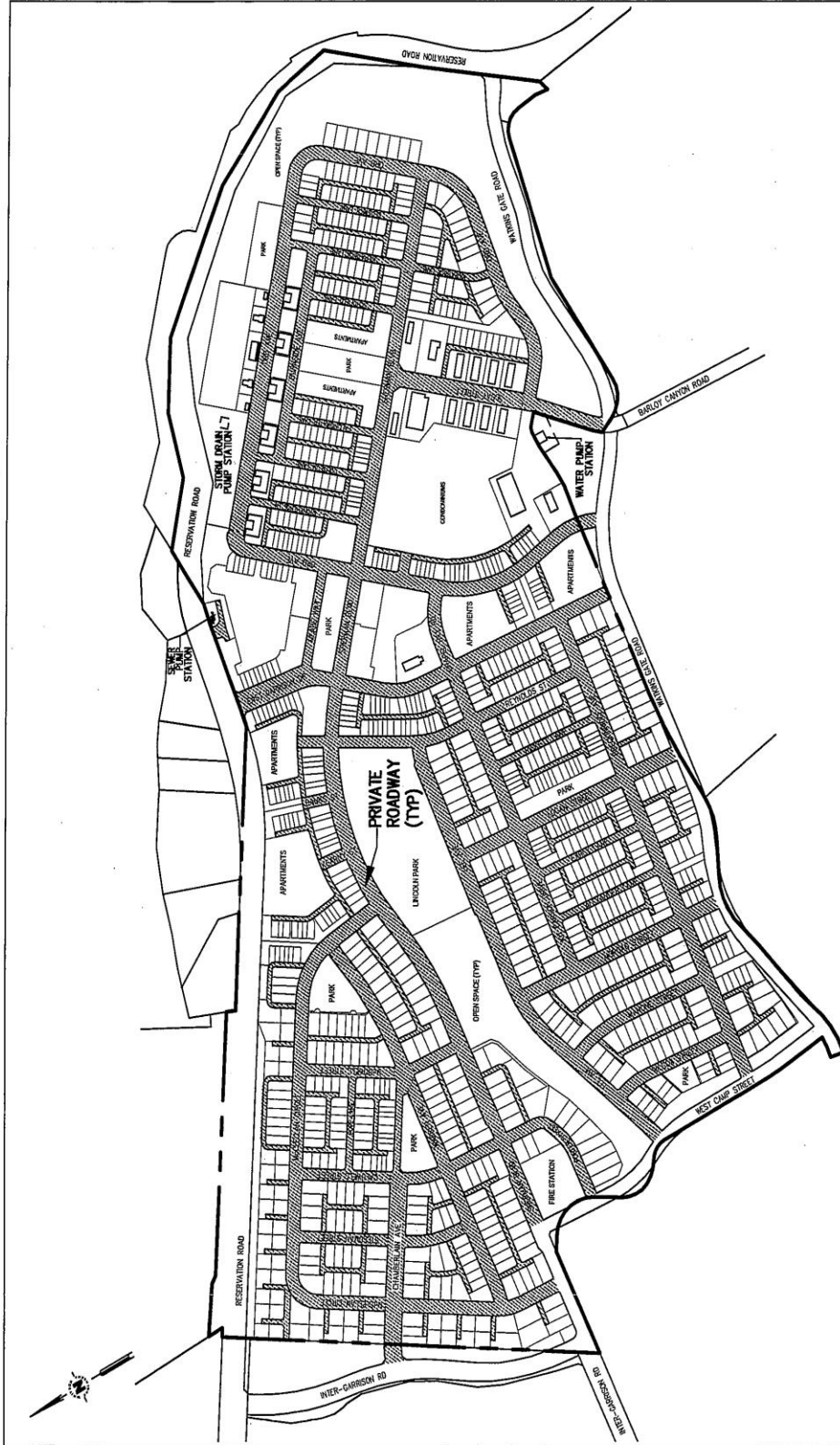



	PERIMETER PUBLIC ROADWAYS		EXHIBIT	
	MONTEREY COUNTY		5	
EAST GARRISON		CALIFORNIA		
DRAWING PATH: T:\Monterey Projects\2615\CAD\Exhibits-WELUS\A15-Perimeter Roads.dwg				
DRAWING ENGINEERS - 9689 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940 - TEL (831) 649-6225 - FAX (831) 373-5065 - WWW.WHITSONENGINEERS.COM				
		DATE: AUG 30, 2012	SCALE: 1" = 600'	
		DRAWN: APH	CHECKED: RFW	
		PROJECT No.: 2615.00		



* APPROXIMATE LOCATION
OF COMMUNITY OR
NEIGHBORHOOD ENTRY

	COMMUNITY AND NEIGHBORHOOD ENTRIES			DATE: AUG 30, 2012	EXHIBIT
	MONTEREY COUNTY			SCALE: 1" = 600'	6
EAST GARRISON			CALIFORNIA	DRAWN: APH	
DRAWING PATH: T:\Monterey Projects\2815\CAD\Exhibits-WELUSAIG-Entries.dwg				CHECKED: RPW	
WHITSON ENGINEERS - 9889 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940 - TEL (831) 649-5225 - FAX (831) 873-5065 - WWW.WHITSONENGINEERS.COM				PROJECT No.: 2615.00	



	PRIVATE ROADWAYS		DATE: AUG 30, 2012	EXHIBIT
	MONTEREY COUNTY	CALIFORNIA	SCALE: 1" = 600'	7
EAST GARRISON		DRAWN: APH	CHECKED: RPW	PROJECT No.: 2615.00
DRAWING PATH: T:\Monterey Projects\2615\CAD\Exhibits\WE\USA17-Private Roads.dwg				
WHITSON ENGINEERS - 9699 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940 - TEL (831) 649-5225 - FAX (831) 649-5065 - WWW.WHITSONENGINEERS.COM				