

**FIRST IMPLEMENTATION AGREEMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS FIRST IMPLEMENTATION AGREEMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (this "Amendment") is made this 28th day of June, 2011, by and between THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY (the "Agency") and UCP EAST GARRISON, LLC ("UCP EG"). Agency and UCP EG are each referred to herein as a "Party" and together as the "Parties." The COUNTY OF MONTEREY (the "County") has consented to this Amendment as set forth in the Consent and Agreement of the County appended hereto following the signature pages.

RECITALS:

A. Agency and East Garrison Partners I, LLC ("EGP") entered into that certain Disposition and Development Agreement (Together With Exclusive Negotiation Rights to Certain Property) on October 4, 2005 (the "DDA"), which DDA, among other things, imposes certain conditions (including, without limitation, construction requirements, operating covenants, and transfer restrictions) on the real property commonly known as East Garrison Track Zero located in the unincorporated area of the County of Monterey, California and more particularly described on Exhibit A to the DDA and incorporated herein by reference (the "Property"). The DDA is evidenced by a Memorandum of Disposition and Development Agreement (Together With Exclusive Negotiation Rights to Certain Property) dated October 4, 2005 and recorded on May 16, 2006 in the official records of the Monterey County Recorder's Office (the "Official Records") as Instrument No. 2006044222 (the "Memorandum"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the DDA.

B. On or around January 30, 2007, EGP obtained a loan from Residential Funding Company, LLC, a Delaware limited liability company and RFC Construction Funding, LLC, a Delaware limited liability company (collectively, the "Original Lender") in the original principal amount of up to Seventy Five Million Dollars (\$75,000,000) (the "Loan"), which Loan was evidenced by, among other instruments, (i) that certain Loan Agreement dated January 30, 2007 by and between EGP and Original Lender (the "Loan Agreement"); (ii) that certain Revolving Promissory Note dated January 30, 2007, made by EGP to the order of Original Lender (the "Note"); and (iii) that certain Construction Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents, Proceeds and Agreements effective as of January 30, 2007, and made by EGP, as trustor, to First American Title Company, as trustee, for the benefit of Original Lender, as beneficiary, as amended by that certain Modification to Construction Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents, Proceeds and Agreement bearing a date of February 1, 2008 (collectively, the "Deed of Trust"), which Deed of Trust encumbered the Property. The Loan Agreement, Note, Deed of Trust, together with all other documents, instruments and modifications relating to the Loan are referred to herein collectively as the "Loan Documents."

C. Agency and County each provided their consent to the Loan pursuant to that certain Consent, Subordination and Recognition Agreement dated as of January 30, 2007 ("CSRA") by and among the County, the Agency, EGP and Original Lender, which was recorded in the Official Records on February 1, 2007 as Instrument No. 2007008911.

D. On or around January, 2009, EGP defaulted on its Loan obligations to Original Lender by, among other things, failing to make debt service payments to Original Lender as and when required under the Loan Documents.

E. As a result of EGP's defaults under the Loan Documents, on March 24, 2009, Original Lender commenced trustee sale proceedings under the Deed of Trust by causing a Notice of Default and Election to Sell under Deed of Trust to be recorded in the Official Records as Instrument No. 2009017137 (the "Trustee Sale Proceedings").

F. On August 7, 2009, during the pendency of the Trustee Sale Proceedings, UCP EG purchased the Loan and Loan Documents from Original Lender, as evidenced by, among other instruments, (i) that certain Purchase and Sale Agreement dated July 1, 2009 by and between Original Lender and UCP EG; (ii) that certain Assignment to Note dated August 7, 2009 made by Original Lender for the benefit of UCP EG; (iii) that certain Assignment of Deed of Trust made by Original Lender for the benefit of UCP EG dated and recorded in the Official Records on August 7, 2009 as Instrument No. 2009050410; and (iv) that certain Assignment of CSRA made by Original Lender for the benefit of UCP EG dated and recorded in the Official Records on August 7, 2009 as Instrument No. 200905041.

G. As a result of UCP EG's purchase of the Loan, UCP EG became the lender under the Loan Documents and a "Lender" (as such term is defined in the CSRA) under the CSRA, all as further confirmed by those certain Estoppel Certificates executed by both the Agency and the County for the benefit of UCP, LLC (UCP EG's parent company) on July 28, 2009.

H. On September 8, 2009, the Property was auctioned for sale as part of the Trustee Sale Proceedings and UCP EG, being the highest bidder at such sale, became the purchaser of the Property pursuant to a credit bid equal to Twenty Two Million One Hundred Fifty Three Thousand Four Hundred Twenty Five Dollars and 45/100 cents (\$22,153,425.45). This amount will be considered the "Initial Land Payment" as defined in the DDA.

I. Title to the Property was vested in UCP EG pursuant to that certain Trustee's Deed Upon Sale dated September 8, 2009 and recorded in the Official Records on September 9, 2009 as Instrument No. 2009057220.

J. UCP EG's acquisition of the Property through the Trustee Sale Proceedings resulted in the occurrence of a "Transfer Event"(as such term is defined in the CSRA); thereby rendering UCP EG a "Succeeding Owner" (as such term is defined in the CSRA) under the CSRA and entitling UCP EG to a number of rights and benefits under the CSRA and DDA, including, without limitation, the requirement that both the Agency be bound to UCP EG by the provisions of the DDA as if the DDA was originally between the Agency and UCP EG.

K. However, UCP EG, as a Lender and Succeeding Owner, is not obligated to perform any development or construction work at the Property until such time as it expressly assumes in writing the continuing performance obligations of EGP under the DDA and officially assumes the role of master Developer under the DDA.

L. UCP EG is now ready and willing to assume the role of master Developer under the DDA and to continue the performance obligations required thereunder, as the DDA is implemented pursuant to this and any subsequent Implementation Agreements.

M. The Agency is agreeable to the implementing measures identified in this First Implementation Agreement and to deem UCP EG as the master Developer thereunder, and UCP EG is willing to assume the role of master Developer, in accordance with the terms and conditions set forth hereunder.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants, representations, warranties, conditions, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Assumption of DDA.

1.1 Assumption (§ 107 of DDA; §1 of CSRA). UCP EG hereby covenants and agrees that, on and after the Effective Date (as defined below), UCP EG will assume EGP's role as "Developer" under the DDA, and, except as otherwise set forth in Section 1.3 hereof, will assume, observe, perform, fulfill and be bound by all terms, covenants, conditions and obligations of EGP under the DDA (as amended hereby). As of the Effective Date, UCP EG shall have all rights of EGP in, to and under the DDA.

1.2 Agency Consent (§ 107 of DDA; §1 of CSRA) The Agency hereby consents to the foregoing assumption and hereby covenants and agrees that the Agency shall be bound to UCP EG by the provisions of the DDA as if the DDA were originally between the Agency and UCP EG. The Agency's obligations to UCP EG under the DDA shall include, without limitation, all obligations to provide and/or otherwise assist with the financing of the Project, as more specifically set forth in Attachment No. 4 to the DDA. The Agency further agrees that UCP EG is hereby deemed to be the "Master Developer" of the Site (as such term is defined in Attachment No.16 of the DDA) and shall be entitled to all rights granted to the Master Developer under the DDA.

1.3 DDA Provisions Pertaining to EGP and Obligations Prior to Site Conveyance. The Parties acknowledge and agree that UCP EG was not the original Developer under the DDA and, as such, there are a number of DDA provisions that do not apply to UCP EG given that EGP purchased the Site from the Agency in 200[5], including, without limitation, Sections 200-203 (relating to the purchase and sale of the Site by EGP), Sections 509-511 (relating to the parties' rights and remedies that existed prior to the conveyance of the Site to EGP), and Section 706 (relating to property management services prior to the conveyance of the Site).

2. Project Costs.

2.1 Cost Basis (Attachment No. 4, § A(3)(d) of DDA; §3 of CSRA). Notwithstanding anything in the CSRA to the contrary, including, without limitation, Section 3(a)(i) thereof, the Parties hereby covenant and agree that the amount of Project Costs incurred by UCP EG to acquire the Project shall equal Twenty Two Million One Hundred Fifty Three

Thousand Four Hundred Twenty Five Dollars and Forty Five Cents (\$22,153,425.45), plus all other Project Costs (as defined in Attachment No. 4, Section 3(d) of the DDA) incurred by UCP EG in the acquisition and development of the Property and EGP's rights as Developer under the DDA, including all attorneys' fees and costs.

2.2 Management Fee (Attachment No. 4, § A(3)(d)). Agency hereby covenants and agrees that either UCP EG or UCP, LLC (UCP EG's parent company), as UCP EG may determine in its sole discretion, is entitled to receive an ongoing management fee for the supervision and development of the Project equal to (i) One Hundred Fifty Thousand Dollars (\$150,000) per quarter commencing on the Effective Date and continuing through the close of escrow for the final lot to be sold in Phase 1 of the Project; (ii) One Hundred Thousand Dollars (\$100,000) per quarter commencing on the day after the close of escrow for the final lot to be sold in Phase 1 of the Project and continuing through the close of escrow for the final lot to be sold in Phase 2 of the Project; and (iii) Fifty Thousand Dollars (\$50,000) per quarter commencing on the day after the close of escrow for the final lot to be sold in Phase 2 of the Project and continuing until such time the close of escrow for the final lot to be sold in Phase 3 of the Project. In addition, the amount of Seventy-five Thousand Dollars (\$75,000) per quarter may be assessed by UCP EG as a Management Fee, commencing on September 8, 2009, and extending to the Effective Date of this First Implementation Agreement.

Agency acknowledges and agrees that the management fee amounts listed in this Section 2.2 are reasonable and equal to the amount that would be charged by third parties on an arms' length basis and, as such, may be included by UCP EG as part of its Project Costs. UCP EG acknowledges and agrees that these management fees represent all UCP EG management fees to be assessed on the Project and does not include fees that may be assessed by future developers or builders. Management fees for any partial quarter shall be prorated based on the number of days that UCP EG or UCP, LLC (as applicable) is entitled to such management fee bears in proportion to the actual number of days in such quarter.

3. Schedule of Performance.

3.1 Generally. The Parties recognize that the current Schedule of Performance set forth in the DDA is no longer current or feasible due to EGP's failure to complete development of the Project in accordance with the original timelines, EGP's invocation of Enforced Delay in 2008, and the dramatic change and downturn in the local real estate market since the time the DDA was signed. As a result, the Parties desire to implement the DDA by using the Schedule of Performance attached to this First Implementation Agreement.

3.2 Attachment No. 5. Attachment No. 5 to the DDA is hereby deleted in its entirety and replaced with the new Attachment No. 5 attached hereto and incorporated herein by reference

3.3 Performance Schedule for Phases 2 and 3. As set forth in the new Attachment No. 5, the Parties agreed to the performance schedules for Phases 2 and 3, based upon current local market conditions. This revised Schedule of Performance does not alter the performance conditions related to the provision of affordable rental housing as set forth in Section B of Attachment No. 3 to the DDA, nor the conditions related to the provision of

moderate-income housing set forth in the DDA. The Parties agree, however, that if by the time that escrow has closed on the 250th lot sale in Phase 1, it appears that the performance obligations for housing may not be achieved in a timely manner, the Parties shall begin a meet and confer process with respect to the performance obligations. The Parties also agree that among the matters to be included in the meet and confer process shall be the timing of construction of affordable rental units, the possible self performance of any remaining affordable housing obligations contained in Attachment No. 3 to the DDA, and the possible payment of the applicable In-Lieu Fee for Monterey Peninsula/Coastal Area as an alternative to conditions on the issuance of building permits. The Agency agrees to extend its best good faith efforts to assist UCP EG in finding financial assistance for the completion of the affordable housing obligations, consistent with the provisions of the existing pledge of tax increment contained in Section H of Attachment No. 4 to the DDA.

4. Workforce II Housing (Attachment No. 3, §§ A & B; & Attachment No. 9, § 5).

4.1 Background and Implementation Effort.

(a) Background. The DDA currently requires that one hundred and forty (140) units be offered to Workforce II buyers in Phase 3 of the Project. This requirement was originally intended to guard against Workforce II homebuyers from being priced out of purchasing units located in the Project. However, due to the recent decline in the local real estate market, the Parties agree that a reasonable estimate for the purchase prices of the majority of the market rate units that are anticipated to be sold in Phase 1 of the Project will be at or below "Workforce II" levels.

(b) Implementation of Workforce II Obligations. The Parties agree to implement Section 5 of Attachment No. 9 of the DDA in the following manner and will be embodied in the Workforce Housing II Agreement referenced in Attachment 3 to the DDA:

(i) Developer shall satisfy all Workforce II Housing obligations imposed upon Developer under the DDA with the sale (upon the terms and conditions set forth below) of forty-seven (47) residential units in Phase 1 of the Project as Workforce II units; forty-seven (47) residential units in Phase 2 of the Project as Workforce II units; and forty-six (46) residential units in Phase 3 of the Project as Workforce II units.

(ii) The Workforce II unit must be sold at a Workforce II Purchase Price, which price cannot exceed fair market value for the unit at the time of initial sale.

(iii) The actual buyer(s) of such Workforce II residential unit(s) must be a qualified Workforce II homebuyer and must agree to record a covenant committing to owner-occupancy of the unit for a minimum of one (1) year.

(iv) Agency agrees that it shall not require the placement of any deed restrictions or deeds of trust which requires equity sharing on the Workforce II residential units developed and sold in Phases 1 and 2. Agency further agrees that any equity sharing requirement for Workforce Housing residential units developed and sold in Phase 3 shall only be imposed in the event that there is a differential between fair market value of an equivalent residential unit on the Project of Fifty Thousand Dollars (\$50,000) or Thirty percent (30%),

whichever is less. Agency also agrees that the equity share requirement for any given Phase 3 Workforce Housing unit shall terminate if Developer documents to the Agency that Developer is unable to find a willing qualified Workforce II homebuyer after making a good faith effort to sell such unit for a period of 120 days.

4.2 Definitions. As used in this Section 5, the following capitalized terms shall be defined as follows:

(a) “Monthly Housing Costs” shall mean a monthly debt service payment under a 30 year fixed mortgage loan in the original principal amount of the Workforce II Purchase Price with interest thereon at current market rates along with estimated monthly payments for property taxes, homeowners’ association dues, and special assessments.

(b) “Workforce II Buyer” shall mean an actual qualified buyer who earns not more than 180% of area median income for Monterey County, as adjusted for a household size for the appropriate unit (number of bedrooms plus one) as identified in the Workforce Housing II Agreement.

(c) “Workforce II Housing” shall mean the one hundred and forty (140) residential units to be developed as originally described in the DDA and priced for the initial sale to persons and families whose incomes do not exceed 150-180% of the adjusted median income for Monterey County, adjusted for household size.

(d) “Workforce II Purchase Prices” shall mean a purchase price for a Workforce II Housing unit which is equal to that which could have been afforded by a Workforce II Buyer after assuming (i) a down payment not to exceed 10%; and (ii) Monthly Housing Costs equal to 40% of actual eligible gross income for such Workforce II Buyer divided by 12, provided that the Workforce II Purchase Price cannot exceed fair market value for the applicable unit as defined by appraisal or comparable sales whichever is greater.

5. Town Center (Attachment No. 4, § G(2); Attachment No. 9, § 6). The Parties agree that UCP EG shall implement its obligations for the development of the Town Center under the DDA, including Paragraph G, Section 2 of Attachment No. 4, in the following manner: (i) before the time that escrow has closed on the sale of the 1st lot in Phase 3, UCP EG shall post a completion bond with respect to 34,000 square feet of the Town Center, sized sufficiently to compensate for costs related to the construction as well as cost related to accessing the bond; (ii) UCP EG shall complete construction of at least 20,000 square feet of the Town Center by the time that escrow for the sale of the 200th lot in Phase 3 has closed, and shall complete construction of an additional 14,000 square feet of the Town Center by the time the escrow for the sale of the last lot in Phase 3 has closed; (iii) if UCP EG shall not have constructed at least 20,000 square feet of the Town Center by the time that escrow has closed on the 200th lot in Phase 3, then UCP EG shall cause the bond funds to be released to the Agency,

and shall deliver to the Agency a Right of Entry onto the Town Center property, so that the Agency may cause the completion of the Town Center.

6. Parks. The Parties agree that UCP EG shall implement Condition of Approval 122 (Recreation Requirements/Land Dedication) of the East Garrison Specific Plan and Vesting Tentative Map for Phase 1 as follows:

(a) "Neighborhood Parks."

Neighborhood Parks are parks which are generally one (1) acre or smaller in size and are spread across the Project. There are two (2) Neighborhood Parks located in each Phase of the Project. The Neighborhood Parks for each Phase shall be completed in full by the time of issuance of a Certificate of Occupancy for the 200th residential unit for each such Phase.

(b) "Community Park"

The Community Park is a park to constitute approximately 7 acres and consist of certain improvements, including a baseball field and related improvements. By the time of the issuance of a Certificate of Occupancy for the 200th residential unit for Phase 1, all necessary infrastructure for the completed Community Park shall be installed, together with sufficient grading and landscaping to allow for passive recreational use. The Community Park shall be completely developed with all required amenities and improvements no later than the close of escrow for the lot sale which represents fifty percent (50%) or greater of the lot sales for Phase 3, and no further lot sales shall be permitted until completion of the Community Park in its entirety.

(c) "Town Center Park"

The Town Center Park is approximately one acre in size and is to be built in connection with Developer's Town Center Construction Obligation. The Town Center Park shall be completed no later than the time a Certificate of Occupancy for the 200th residential unit is issued in Phase 3.

7. Application of Deposit Amounts (Section 201.a). The Agency hereby covenants and agrees that, within ten (10) business days after the Effective Date, it shall make a demand on the Escrow Agent for payment of the Deposit (including any interest earned and accrued thereon) that was originally submitted by EGP to secure the performance of its obligations under the DDA. Upon Agency's receipt of the Deposit amounts from Escrow Agent, it shall (i) inform UCP EG of the amount received from Escrow Agent; and (ii) use such Deposit amount towards the payment of the Agency and County's cost and expenses in providing services to timely process, implement and administer the DDA and the Development Approvals and which would otherwise be payable by UCP EG under the DDA or the Reimbursement Agreement.

8. Insurance.

8.1 FORA PLL (Section 204). On or before the Effective Date, the Agency shall have added UCP EG as a Named Insured under the FORA PLL and shall have furnished, or caused to be furnished, a certificate or endorsement evidencing the same.

8.2 UCP EG's Insurance (Section 305). On or before the Effective Date, UCP EG shall have added the Agency and the County as additional or coinsureds under the insurance policies required to be maintained under Section 305 of the DDA and UCP EG shall have furnished, or caused to be furnished, a certificate or endorsement evidencing the same.

9. Enforced Delay. This First Implementation Agreement reflects the fact that there has been a significant downward change in the residential market since the DDA was first approved. It also represents the fact that UCP EG acquired the Project after Enforced Delay was invoked and after the prior Developer defaulted in its obligations. In recognition of these facts, the Parties agree that Section 604 {Enforced Delay} shall be implemented in the following manner:

(a) as of the Effective Date of this First Implementation Agreement, the Enforced Delay provisions relating to market demand and absorption shall not apply to the installation of infrastructure and completion of lots with respect to Phase 1 only; and

(b) after all infrastructure and conditions of approval relative to the issuance of the first building permit have been completed for Phase 1, UCP EG may invoke or assert continuation of Enforced Delay (if and as necessary) upon all conditions set forth in Section 604 of the DDA.

10. Miscellaneous.

10.1 Notices. From and after the Effective Date, all notices required or permitted to be sent to "Developer" under the DDA, Development Agreement, or any documents executed in connection therewith, shall be sent to UCP EG at the following address and in the manner required under the DDA:

To: UCP East Garrison, LLC
6489 Camden Avenue, Suite 204
San Jose, CA 95120
Attn: James W. Fletcher
Phone: (408) 323-1113
Fax: (408) 323-1114

With a copy to: W. Allen Bennett, Esq.
Vice President & General Counsel
548 W. Cromwell, Suite 104
Fresno, CA 93711
Phone: (559) 439-4464
Fax: (559) 439-4477

10.2 Effective Date. This Amendment shall become effective as of the date that the Agency executes this First Implementation Agreement (the "Effective Date").

10.3 Ratification. The DDA, as implemented hereby, is and shall remain in full force and effect in accordance with its terms and is hereby ratified and confirmed in all respects. The execution and delivery of this First Implementation Agreement shall not operate as a waiver

of or an amendment of any right, power or remedy of either Party in effect prior to the date hereof.

10.4 Further Cooperation. At all times following the Effective Date, the Parties agree to execute and deliver, or cause to be executed and delivered, such documents and to do, or cause to be done, such other acts and things as might reasonably be requested to assure that the benefits of the DDA (as implemented herein and as implemented by any further Implementation Agreement) are realized by the Parties.

10.5 Entire Agreement; Conflict; Amendments. This First Implementation Agreement and the attachments hereto, which are hereby incorporated into and made a part of this Agreement, constitutes the entire agreement between the Parties with respect to the matters set forth herein and there are no representations, warranties or prior understandings with respect to UCP EG's assumption of the DDA and the implementing measures to the DDA except as expressly set forth herein or any subsequent implementation agreements. In the event of any conflict between the provisions of this Amendment and the provisions of the DDA, the provisions of this First Implementation Agreement shall control. No amendment or modification to the DDA or any Implementation Agreement will be effective unless contained in a writing signed by both Parties.

10.6 Severability. The Parties agree that should any provision of this First Implementation Agreement be deemed by a court of competent jurisdiction to be unenforceable under applicable law, the remaining provisions of this agreement shall in no way be affected and shall remain in full force. The Parties also agree that any such provision deemed unenforceable shall be replaced automatically with an enforceable provision as close as possible, in meaning and effect, to that deemed unenforceable.

10.7 Interpretation. This First Implementation Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties. The Parties acknowledge that each party and its counsel have reviewed and revised this agreement and that the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this First Implementation Agreement or any document executed and delivered by either Party in connection with the transactions contemplated by this agreement. The titles or headings of the various sections and paragraphs of this First Implementation Agreement are intended solely for convenience of reference and are not intended and shall not be deemed to or in any way be used to modify, explain or place any construction upon any of the provisions of this agreement. Unless the context shall otherwise require, words using the singular or plural number shall also include the plural or singular number, respectively.

10.8 Counterparts. This First Implementation Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

10.9 Successors and Assigns. The terms and conditions of this First Implementation Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

10.10 Amendment to Memorandum. Upon UCP EG's request, the Agency shall cooperate in executing an amendment to the Memorandum which evidences UCP EG's status of Developer and recognizes the implementation measures to the DDA set forth herein, in form and substance reasonably satisfactory to the Parties, which shall be recorded in the Official Records.

[Signature Page Follows]


IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year next to such Party's signature.

UCP EG:

Date: June 14, 2011

UCP EAST GARRISON, LLC,
a Delaware limited liability company

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

By: 
Name: **DUSTIN BOGUE, COO**
Title: **6489 Camden Ave, STE. 204
San Jose, CA 95120**

THE AGENCY:

Date: June 30, 2011

REDEVELOPMENT AGENCY OF THE COUNTY
OF MONTEREY

Approved as to Form:

By: Kay Reiman
Name: **KAY REIMANN**
Title: **DEPUTY COUNTY COUNSEL**

By: James B Parker
Name:
Title: **Chair, Monterey County Bd of Supervisors**

By: James B Parker
Name:
Title: **Chair, Bd of Directors City Co Redevelopment Agency**

CONSENT AND AGREEMENT OF THE COUNTY OF MONTEREY

The County of Monterey hereby consents to the terms of the foregoing First Implementation Agreement between the Agency and UCP EG, and does hereby agree, for itself and its officers, departments, boards and agencies:

1. To cooperate with the Agency and UCP EG in implementing the provisions of the DDA;
2. To consider and act upon, in a timely and good faith manner, the matters submitted to it by the Agency and/or UCP EG;
3. To undertake, in a timely and good faith manner, subject to applicable legal requirements, those obligations, responsibilities and actions required of the County under and in furtherance of the DDA, provided that nothing in the DDA shall constrain or limit the County in the lawful exercise of its discretion in accordance with CEQA and its regulatory responsibilities; and
4. To be bound by and comply with the terms of the DDA, to the extent expressly required under the DDA, including but not limited to Section 310 of the DDA, in the implementation of the Development Agreement and Development Approvals (as defined in the DDA).

Consented to, approved and accepted
by:
Date: June 30, 2011

Approved as to Form:

By: Kay Reiman
Name: KAY REIMAN
Title: DEPUTY COUNTY COUNSEL

THE COUNTY:

THE COUNTY OF MONTEREY

By: JANE B PARKER
Name:
Title: Chair, Monterey County Bd of Supervisors

By: JANE B PARKER
Name:
Title: Chair, Bd of Directors, Mtg Co Development Agency

Attachment No. 5

[First Referenced, Section 202 (1)]

SCHEDULE OF PERFORMANCE

Updated: _____, 2011

EXHIBIT 5
(Revised)

I. **Schedule of Performance** as currently delineated in the DDA will be modified as follows:

1. PHASE 1

A. Installation of all infrastructure and completion of all Conditions of Approval necessary to sell first lot for market rate units. Timeline shall be as outlined in the "Manzanita Place" Implementation Agreement for Sub-phases A and B.

Sub-phase A improvements by September 30, 2012.
Sub-phase B improvements by March 31, 2013.

B. Close of Escrow for sale of last Market Rate Residential Lot

3/31/2016

i. Within 3 yrs from completion of infrastructure and Conditions of Approval

C. Certificate of Occupancy for last Market Rate Residential Unit

3/31/2021

i. Within 5 yrs of close of escrow for sale of last market rate lot

2. PHASE 2

A. Installation of all infrastructure and completion of all Conditions of Approval necessary to sell first lot for market rate units

Initiate infrastructure construction no later than the Close Of Escrow of the 250th Market Rate Residential Unit in Phase 1.

Complete construction of Phase 2 horizontal improvements and fulfill all Conditions of Approval for Phase 2 Final Map within 18 months of start.

No later than 3 years after completion of infrastructure and Conditions of Approval.

B. Close of Escrow for sale of last Market Rate Residential Lot

No later than 5 years after the close of escrow for the sale of the last Market Rate Residential Lot.

C. Certificate of Occupancy for last Market Rate Residential Unit

3. PHASE 3

A. Installation of all infrastructure and
Completion of all Conditions of Approval
necessary to sell first lot for market rate units

Initiate infrastructure construction
no later than the Close Of Escrow
of the 250th Market Rate
Residential Unit in Phase 2.

B. Close of Escrow for sale of last
Market Rate Residential Lot

Complete construction of Phase 3
horizontal improvements and
fulfill all Conditions of Approval
for Phase 3 Final Map within 18
months of start.

No later than 3 years after
completion of infrastructure and
Conditions of Approval.

C. Certificate of Occupancy for last
Market Rate Residential Unit

No later than 5 years after the
close of escrow for the sale of the
last Market Rate Residential Lot.