

Monterey County

*Monterey County Government Center
Board of Supervisors Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901*



Meeting Agenda - Final

Tuesday, December 15, 2020

9:00 AM

**IMPORTANT COVID-19 NOTICE ON PAGE 2-4
AVISO IMPORTANTE SOBRE COVID-19 EN LA PAGINA 2-4**

Special Meeting

<https://montereycty.zoom.us/j/224397747>

Board of Supervisors

*Chair Supervisor Chris Lopez - District 3
Vice Chair Supervisor Jane Parker - District 4
Supervisor Luis A. Alejo - District 1
Supervisor John M. Phillips - District 2
Supervisor Mary L. Adams - District 5*

Important Notice Regarding COVID 19

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID 19 virus, please do the following:

1. While the Board chambers remain open, you are strongly encouraged to observe the live stream of the Board of Supervisors meetings at http://monterey.granicus.com/ViewPublisher.php?view_id=19, <http://www.mgtvonline.com/>, www.youtube.com/c/MontereyCountyTV or <https://www.facebook.com/MontereyCoInfo/>

If you attend the Board of Supervisors meeting in person, you will be required to maintain appropriate social distancing, i.e., maintain a 6-foot distance between yourself and other individuals.

2. If you choose not to attend the Board of Supervisors meeting but desire to make general public comment, or comment on a specific item on the agenda, you may do so in three ways:

a. submit your comment via email by 5:00 p.m. on the Monday prior to the Board meeting. Please submit your comment to the Clerk of the Board at cob@co.monterey.ca.us. In an effort to assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the meeting body (i.e. Board of Supervisors Agenda) and item number (i.e. Item No. 10). Your comment will be placed into the record at the Board meeting.

b. if you are watching the live stream of the Board meeting, you may submit your comment, limited to 250 words or less, to the Clerk of the Board at publiccomment@co.monterey.ca.us. General public comment must be received during the General Public Comment item on the agenda, and comments on specific agenda items must be received as it is being heard. In an effort to assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the meeting body (i.e. Board of Supervisors Agenda) and item number (i.e. Item No. 10). Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

c. you may participate through ZOOM. For ZOOM participation please join by computer audio at: <https://montereycty.zoom.us/j/224397747>

OR to participate by phone call any of these numbers below:

+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 253 215 8782 US
+1 301 715 8592 US

Enter this Meeting ID number: 224397747 when prompted. Please note there is no Participant Code, you will just hit # again after the recording prompts you.

You will be placed in the meeting as an attendee; when you are ready to make a public comment if joined by computer audio please Raise your Hand; and by phone please push *9 on your keypad.

3. You are encouraged to participate via Zoom as the Monterey Room on the 2nd floor of the County Government Center will not be available for overflow seating during this meeting.

Aviso importante sobre COVID 19

Basado en la guía del Departamento de Salud Pública de California y la Oficina del Gobernador de California, para minimizar la propagación del virus COVID 19, haga lo siguiente:

1. Mientras las cámaras de la Junta permanecen abiertas, le recomendamos que observe la transmisión en vivo de las reuniones de la Junta de Supervisores en http://monterey.granicus.com/ViewPublisher.php?view_id=19, <http://www.mgtvonline.com/>, www.youtube.com/c/MontereyCountyTV o <https://www.facebook.com/MontereyCoInfo/>

Si asiste a la reunión de la Junta de Supervisores en persona, deberá mantener un distanciamiento social apropiado, es decir, mantener una distancia de 6 pies entre usted y otras personas.

2. Si elige no asistir a la reunión de la Junta de Supervisores pero desea hacer un comentario público general o comentar un tema específico de la agenda, puede hacerlo de tres maneras:

a. envíe su comentario por correo electrónico antes de las 5:00 p.m. el lunes anterior a la reunión de la Junta. Envíe su comentario al Secretario de la Junta a cob@co.monterey.ca.us. En un esfuerzo por ayudar al Secretario a identificar el ítem de la agenda relacionado con su comentario público, indique en la línea de asunto, el cuerpo de la reunión (es decir, la agenda de la Junta de Supervisores) y el número de ítem (es decir, el ítem No. 10). Su comentario se colocará en el registro en la reunión de la Junta.

b. Si está viendo la transmisión en vivo de la reunión de la Junta, puede enviar su comentario, limitado a 250 palabras o menos, al Secretario de la Junta en publiccomment@co.monterey.ca.us. Los comentarios del público en general deben recibirse durante el elemento de Comentarios del público en general en la agenda, y los comentarios sobre los elementos específicos de la agenda deben recibirse mientras se escuchan. En un esfuerzo por ayudar al Secretario a identificar el ítem de la agenda relacionado con su comentario público, indique en la línea de asunto, el cuerpo de la reunión (es decir, la agenda de la Junta de Supervisores) y el número de ítem (es decir, el ítem No. 10). Se hará todo lo posible para leer su comentario en el registro, pero algunos comentarios pueden no leerse debido a limitaciones de tiempo. Los comentarios recibidos después de un ítem de la

agenda serán parte del registro si se reciben antes del final de la reunión.

c. Puedes participar a través de ZOOM. Para participar en ZOOM, únase por audio de computadora en: <https://montereycty.zoom.us/j/224397747>

O para participar por teléfono, llame a cualquiera de estos números a continuación:

+1 669 900 6833 EE. UU. (San José)
+1346248 7799 EE. UU. (Houston)
+1312626 6799 EE. UU. (Chicago)
+1929205 6099 EE. UU. (Nueva York)
+1 253 215 8782 EE. UU.
+1301715 8592 EE. UU.

Ingrese este número de ID de reunión: 224397747 cuando se le solicite. Tenga en cuenta que no hay un Código de participante, simplemente presionará # nuevamente después de que la grabación lo solicite.

Se lo colocará en la reunión como asistente; cuando esté listo para hacer un comentario público si se une al audio de la computadora, levante la mano; y por teléfono presione * 9 en su teclado.

3. Se le anima a participar a través de Zoom, ya que la sala de Monterey en el segundo piso del Centro de Gobierno del Condado no estará disponible para asientos adicionales durante esta reunión.

The Board of Supervisors welcomes you to its meetings, which are regularly scheduled each Tuesday. Your interest is encouraged and appreciated. Meetings are held in the Board Chambers located on the first floor of the Monterey County Government Center, 168 W. Alisal St., Salinas, CA 93901.

As a courtesy to others, please turn off all cell phones and pagers prior to entering the Board Chambers.

ALTERNATE AGENDA FORMATS: If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals with a disability requiring a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may make these requests to the Clerk of the Board Office.

CEREMONIAL/APPOINTMENTS/OTHER BOARD MATTERS: These items may include significant financial and administrative actions, and items of special interest, usually approved by majority vote for each program. The regular calendar also includes "Scheduled Items," which are noticed hearings and public hearings.

CONSENT CALENDAR: These matters include routine financial and administrative actions, appear in the supplemental section by program areas, and are usually approved by majority vote.

TO ADDRESS THE BOARD ON A MATTER ON THE AGENDA: Walk to the podium and wait for recognition by the Chair. In order that all interested parties have an opportunity to speak, please be brief and limit your comments to the specific subject under discussion. Time limitations shall be at the discretion of the Chair, with equal time allocated to opposing sides of an issue insofar as possible. Allocated time may not be reserved or granted to others, except as permitted by the Chair. On matters for which a public hearing is required, please note that a court challenge to the Board's action may be limited to only those issues raised at the public hearing or in correspondence delivered to the Board at or before the public hearing.

TO ADDRESS THE BOARD DURING PUBLIC COMMENT: Members of the public may address comments to the Board concerning each agenda item and may comment when the Chair calls for general public comment for items that are not on the day's agenda. The timing of public comment shall be at the discretion of the Chair.

DOCUMENT DISTRIBUTION: Documents related to agenda items that are distributed to the Board less than 72 hours prior to the meeting shall be available for public inspection at the Clerk of the Board Office, 168 W. Alisal Street, 1st Floor, Salinas, CA. Documents distributed to the Board at the meeting by County staff will be available at the meeting; documents distributed to the Board by members of the public shall be made available after the meeting.

INTERPRETATION SERVICE POLICY: The Monterey County Board of Supervisors invites and encourages the participation of Monterey County residents at its meetings. If you require the assistance of an interpreter, please contact the Clerk of the Board located in the Monterey County Government Center, 168 W. Alisal St., Salinas - or by phone at (831) 755-5066. The Clerk will make every effort to accommodate requests for interpreter assistance. Requests should be made as soon as possible, and at a minimum 24 hours in advance of any meeting of the Board of Supervisors.

La Cámara de Supervisores del Condado de Monterey invita y apoya la participación de los residentes del Condado de Monterey en sus reuniones. Si usted requiere la asistencia de un interprete, por favor comuníquese con la oficina de la Asistente de la Cámara de Supervisores localizada en el Centro de Gobierno del Condado de Monterey, (Monterey County Government Center), 168 W. Alisal, Salinas – o por teléfono al (831) 755-5066. La Asistente hará el esfuerzo para acomodar los pedidos de asistencia de un interprete.

Los pedidos se deberán hacer lo mas pronto posible, y a lo mínimo 24 horas de anticipo de cualquier reunión de la Cámara de Supervisores.

All documents submitted by the public must have no less than ten (10) copies.

The Clerk of the Board of Supervisors must receive all materials for the agenda packet by noon on the Tuesday one week prior to the Tuesday Board meeting.

Any agenda related writings or documents distributed to members of the County of Monterey Board of Supervisors regarding any open session item on this agenda will be made available for public inspection in the Clerk of the Board's Office located at 168 W. Alisal St., 1st Floor, Salinas, California. during normal business hours and in the Board Chambers on the day of the Board Meeting, pursuant to Government Code §54957.5

NOTE: All agenda titles related to numbered agenda items are live web links. Click on the title to be directed to the corresponding Board Report.

PUBLIC COMMENT: Members of the public may address comments to the Board concerning each agenda item. The timing of public comment shall be at the discretion of the Chair.

Please refer to the separate agendas for Special Districts and Agencies governed by the Board of Supervisors that may be scheduled for agenda items today.

Pursuant to Governor Newsom's Executive Order No. N-29-20, some or all Supervisors may participate in the meeting by telephone or video conference.

9:00 A.M. - Call to Order

Additions and Corrections for Closed Session by County Counsel

County Counsel will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

Closed Session

1. Closed Session under Government Code section 54950, relating to the following items:
 - a. Pursuant to Government Code section 54956.9(d)(2), the Board will confer with legal counsel regarding one matter of significant exposure to litigation.
 - b. Pursuant to Government Code section 54956.9(d)(4), the Board will confer with legal counsel regarding one matter of potential initiation of litigation.
 - c. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the Civil Rights Officer.
 - d. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the Public Defender.
 - e. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the County Administrative Officer.
 - f. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the County Counsel.
 - g. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the Natividad Medical Center Chief Executive Officer.

Public Comment**The Board Recesses for Closed Session Agenda Items**

Closed Session may be held at the conclusion of the Board's Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Board. The public may comment on Closed Session items prior to the Board's recess to Closed Session.

9:30 A.M. - Reconvene on Public Agenda Items**Roll Call****Pledge of Allegiance****Additions and Corrections by Clerk**

The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

Ceremonial Resolutions

2. Resolution recognizing William W. Monning, California State Senate, Majority Leader Emeritus for his many years of public service. (Full Board - Supervisor Alejo)

Attachments: [Ceremonial Resolution - Senator Bill Monning](#)

Appointments

3. Appoint Marvin Borzini to the Monterey County Water Resources Agency Board of Directors with a term ending on December 31, 2024. (District 3- Supervisor Chris Lopez)

Attachments: [Notification to Clerk of Appt- Borzini](#)

Other Board Matters**9:30 A.M. - Scheduled Matters**

4. a. Consider the matter of Amendment No. 4 to the Subdivision Improvement Agreement for the York Highlands Resubdivision for an extension of 24 months (December 22, 2022); and
b. Provide staff direction on how to proceed on the matter.

Attachments: [Board Report](#)
[Attachment A - Amendment No. 4](#)
[Attachment B - Subdivision Improvement Agreement](#)
[Attachment C - Extension Request Letter](#)
[Attachment D - Engineering Cost Estimate Review Letter](#)

The Board Recesses back into Closed Session Agenda Items

Closed Session may be held at the conclusion of the Board's Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Board. The public may comment on Closed Session items prior to the Board's recess to Closed Session.

Read Out from Closed Session by County Counsel

Read out by County Counsel will only occur if there is reportable action(s).

Adjournment



Monterey County

Item No.1

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: CS 20-060

December 15, 2020

Introduced: 12/3/2020

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

Closed Session under Government Code section 54950, relating to the following items:

- a. Pursuant to Government Code section 54956.9(d)(2), the Board will confer with legal counsel regarding one matter of significant exposure to litigation.
- b. Pursuant to Government Code section 54956.9(d)(4), the Board will confer with legal counsel regarding one matter of potential initiation of litigation.
- c. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the Civil Rights Officer.
- d. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the Public Defender.
- e. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the County Administrative Officer.
- f. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the County Counsel.
- g. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the Natividad Medical Center Chief Executive Officer.



Monterey County

Item No.2

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: CR 20-114

December 15, 2020

Introduced: 12/8/2020

Current Status: Ceremonial Resolution

Version: 1

Matter Type: Ceremonial Resolution

Resolution recognizing William W. Monning, California State Senate, Majority Leader Emeritus for his many years of public service. (Full Board - Supervisor Alejo)

*Before the Board of Supervisors in and for the
County of Monterey, State of California*

Resolution No.:

Resolution recognizing William W. Monning, California State Senate, Majority Leader Emeritus for his many years of public service.

WHEREAS, Senator William W. Monning was born on April 2, 1951 in Culver City, California and currently resides in Carmel, California with his family; and

WHEREAS, Senator William W. Monning received a B.A. at the University of California at Berkeley and a law degree from the University of San Francisco, School of Law. He and his wife, Dana T. Kent, a family physician have two daughters and three grandchildren; and

WHEREAS, Senator William W. Monning was elected in November of 2012 and reelected in 2016 to represent the 17th Senate District, which includes all of San Luis Obispo and Santa Cruz counties, and portions of Monterey and Santa Clara counties; and

WHEREAS, Prior to that, he represented the 27th Assembly District from 2008 to 2012, which included portions of Monterey, Santa Cruz, and Santa Clara counties; and

WHEREAS, Senator Monning has been an advocate for increased funding for transportation and other infrastructure improvements, including public transit and much needed repairs to local streets and roads and highway systems; and

WHEREAS, In his role of Senate Majority Leader, the first from the Central Coast since Senator Henry J. Mello, he advocated for and ensured passage of Senate Bill 1, the Road Repair and Accountability Act of 2017, which invests \$5.4 billion annually to fix roads, freeways and bridges in communities across California and puts more dollars toward transit and safety; and

WHEREAS, Senator Monning authored Senate Bill 1231, successful legislation sponsored by the Transportation Agency for Monterey County that allows for the Department of Fish and Wildlife to issue an incidental take permit for the Santa Cruz Long-toed Salamander for the purpose of completing critical public safety improvements along State Route 156 in Monterey County/Castroville; and

WHEREAS, Senator William W. Monning's Economic Investments Secured during his tenure from 2009 to 2019 totaled \$723.5 Million; and

WHEREAS, Senator Monning's exceptional legislative accomplishments from 2009 to 2020 include SB 200-Safe Drinking Water, SB 645-Depositions, \$17 million for the Interlake Tunnel Project and \$530,000 for a Search and Rescue Vessel; and

WHEREAS, In 2017-18, Senator Monning authored SB 766-International Arbitration, SB 1090-Diablo Canyon, SB 1192-Children's Menus-Healthful Default Beverages, and SB 1236-Commercial Truck Drivers Safety; and

WHEREAS, In 2015-16, Senator Monning authored ABX2 15- End of Life Option Act, SB 17-Sea Otter Research and Protection Fund, SB 242-School Security, SB 489-Photovoltaic, SB 945-Safe Pet Boarding Facilities, SB 968-Diablo Canyon closure mitigation impacts, SB1073-Earned income Tax Credit, and SB 1363-Eelgrass Restoration; and

WHEREAS, In 2013-14, Senator Monning authored SB 193-Workplace Safety, SB 936-Water Rate Relief Bonds, SB 941-Boating Safety Card, SB 1087-Sexual Harassment Prevention Training, and \$1.5 million for the California Central Coast State Veterans Cemetery; and

WHEREAS, In 2011-12, Senator Monning authored AB 565-San Clemente Dam Removal, AB 922-Office of Health Consumer Assistance, AB 971-Sea Otter Fund, AB 1453-Healthcare Coverage, AB 1614-Fort Ord Reuse Authority extension, and AB 2332-Disaster Losses; and

WHEREAS, In 2009-10, Senator Monning authored AB 1217-Sustainable Seafood Label, AB 1757-Veterans Cemetery, ACR 129 International Treaties/Human Rights and HR 23- identification of inert ingredients in pesticides.

WHEREAS, After 12 years of outstanding public service to the people of Monterey County and the State of California in the state legislature, Senator Monning retired on November 30, 2020 with an exceptional record of advocacy and accomplishments for our local communities and families.

NOW, THEREFORE BE IT RESOLVED, that the Monterey County Board of Supervisors, on behalf of the County and all its residents thereof, hereby congratulates **State Senator William W. Monning** for his many years of outstanding public service. We wish him a happy and fulfilling future upon his retirement from service to the people of Monterey County and the State of California.

PASSED AND ADOPTED on this ____ day of ____ 2020, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ____ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy



Monterey County

Item No.3

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: APP 20-173

December 15, 2020

Introduced: 12/8/2020

Current Status: Appointment

Version: 1

Matter Type: Appointment

Appoint Marvin Borzini to the Monterey County Water Resources Agency Board of Directors with a term ending on December 31, 2024. (District 3- Supervisor Chris Lopez)

[Enter Text Here]



Monterey County

Item No.4

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 20-521

December 15, 2020

Introduced: 12/10/2020

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Consider the matter of Amendment No. 4 to the Subdivision Improvement Agreement for the York Highlands Resubdivision for an extension of 24 months (December 22, 2022); and
- b. Provide staff direction on how to proceed on the matter.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Consider the matter of Amendment No. 4 to the Subdivision Improvement Agreement for the York Highlands Resubdivision for an extension of 24 months (December 22, 2022); and
- b. Provide staff direction on how to proceed on the matter.

SUMMARY:

An additional two-year extension is needed because further regulatory delays have delayed the transfer of the York Highlands Resubdivision property. Over fifty (50) percent of the subdivision improvements have been completed, and there is ongoing work at this time. The banks and developer are working through regulatory, agency and other delays to secure the final buy-out and construction for the remaining buildout of York Highlands. There have been considerable delays due to difficulties in separating York Highlands from the Monterra HOA in terms of the ongoing management of the CC&R's that are part of the York Highlands approvals. Monterey County Bank and United Security Bank intend to transfer the Resubdivision entitlements and improvement obligations to one or more developers who would in turn complete the subdivision improvements.

Amendment No. 4 amends the names of the corporations through which the banks now hold title. It also would allow the time for completion of the subdivision improvements by extending the Agreement timeline to May 22, 2022. The Banks require the additional time provided in Amendment No. 4 to accomplish the transfer and complete the subdivision work. Amendment No. 4 also specifically includes an indemnification agreement whereby United Securities Bank agrees to immediately indemnify, defend, and hold COUNTY harmless from and against any and all loss, damage or liability, costs or expenses whatsoever, in connection with any third party claim whatsoever (including reasonable attorneys' fees and court costs) from The Don Chapin Co., Inc., Seatec Underground Utilities Company, Inc., and/or their assigns, arising from or in connection with this Subdivision Improvement Agreement.

DISCUSSION:

On May 22, 2012, the Board of Supervisors approved the Subdivision Improvement Agreement for the York Highlands Subdivision between the County of Monterey and Monterey County Bank and United Security Bank. On May 13, 2014, the Board of Supervisors approved the Amendment No. 1 to the

County of Monterey Subdivision Improvement Agreement to extend the time for completion of the subdivision improvements. On March 22, 2016, the Board of Supervisors approved Amendment No. 2 to the County of Monterey Subdivision Improvement Agreement for York Highland Resubdivision between the County of Monterey and to extend the time for completion of the subdivision improvements to May 22, 2018. On June 26, 2018, the Board of Supervisors approved Amendment No. 3 to the County of Monterey Subdivision Improvement Agreement for York Highland Resubdivision between the County of Monterey and to extend the time for completion of the subdivision improvements to December 22, 2020.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has approved Amendment No. 4 as to form.

FINANCING:

There is no financial impact to the General Fund. Sufficient appropriations are available in the RMA - Development Services FY2020-21 Adopted Budget, Fund 001 Unit 8530, Appropriation Unit RMA110, to finance this work. The cost of the extension processing is funded with developer fees.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Economic Development; Provide growth in opportunities for housing in Monterey County and provide construction jobs for Monterey County residents.

Infrastructure; Plan and develop a sustainable, physical infrastructure that improves the safety and quality of life for Monterey County residents. Provide for an adequate and safe infrastructure.

- ☒ Economic Development
 - ☐ Administration
 - ☐ Health & Human Services
- ☒ Infrastructure
 - ☐ Public Safety

Prepared by: Armando Fernandez, Civil Engineer, (831) 755-4873

Approved by: Randy Ishii, Community Services Director (831) 755-4800

Attachments:

Attachment A - Amendment No. 4

Attachment B - Subdivision Improvement Agreement recorded 5/31/2012

Attachment C - Extension Request Letter 04/21/2020

Attachment D - Engineering Cost Estimate Review Letter 04/21/2020



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 20-521

December 15, 2020

Introduced: 12/10/2020

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Consider the matter of Amendment No. 4 to the Subdivision Improvement Agreement for the York Highlands Resubdivision for an extension of 24 months (December 22, 2022); and
- b. Provide staff direction on how to proceed on the matter.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Consider the matter of Amendment No. 4 to the Subdivision Improvement Agreement for the York Highlands Resubdivision for an extension of 24 months (December 22, 2022); and
- b. Provide staff direction on how to proceed on the matter.

SUMMARY:

An additional two-year extension is needed because further regulatory delays have delayed the transfer of the York Highlands Resubdivision property. Over fifty (50) percent of the subdivision improvements have been completed, and there is ongoing work at this time. The banks and developer are working through regulatory, agency and other delays to secure the final buy-out and construction for the remaining buildout of York Highlands. There have been considerable delays due to difficulties in separating York Highlands from the Monterra HOA in terms of the ongoing management of the CC&R's that are part of the York Highlands approvals. Monterey County Bank and United Security Bank intend to transfer the Resubdivision entitlements and improvement obligations to one or more developers who would in turn complete the subdivision improvements.

Amendment No. 4 amends the names of the corporations through which the banks now hold title. It also would allow the time for completion of the subdivision improvements by extending the Agreement timeline to May 22, 2022. The Banks require the additional time provided in Amendment No. 4 to accomplish the transfer and complete the subdivision work. Amendment No. 4 also specifically includes an indemnification agreement whereby United Securities Bank agrees to immediately indemnify, defend, and hold COUNTY harmless from and against any and all loss, damage or liability, costs or expenses whatsoever, in connection with any third party claim whatsoever (including reasonable attorneys' fees and court costs) from The Don Chapin Co., Inc., Seatec Underground Utilities Company, Inc., and/or their assigns, arising from or in connection with this Subdivision Improvement Agreement.

DISCUSSION:

On May 22, 2012, the Board of Supervisors approved the Subdivision Improvement Agreement for the York Highlands Subdivision between the County of Monterey and Monterey County Bank and United Security Bank. On May 13, 2014, the Board of Supervisors approved the Amendment No. 1 to the

County of Monterey Subdivision Improvement Agreement to extend the time for completion of the subdivision improvements. On March 22, 2016, the Board of Supervisors approved Amendment No. 2 to the County of Monterey Subdivision Improvement Agreement for York Highland Resubdivision between the County of Monterey and to extend the time for completion of the subdivision improvements to May 22, 2018. On June 26, 2018, the Board of Supervisors approved Amendment No. 3 to the County of Monterey Subdivision Improvement Agreement for York Highland Resubdivision between the County of Monterey and to extend the time for completion of the subdivision improvements to December 22, 2020.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has approved Amendment No. 4 as to form.

FINANCING:

There is no financial impact to the General Fund. Sufficient appropriations are available in the RMA - Development Services FY2020-21 Adopted Budget, Fund 001 Unit 8530, Appropriation Unit RMA110, to finance this work. The cost of the extension processing is funded with developer fees.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Economic Development; Provide growth in opportunities for housing in Monterey County and provide construction jobs for Monterey County residents.

Infrastructure; Plan and develop a sustainable, physical infrastructure that improves the safety and quality of life for Monterey County residents. Provide for an adequate and safe infrastructure.

- ☒ Economic Development
- ☐ Administration
- ☐ Health & Human Services
- ☒ Infrastructure
- ☐ Public Safety

Prepared by: Armando Fernandez, Civil Engineer, (831) 755-4873

Approved by: Randy Ishii, Community Services Director (831) 755-4800 *Randy Ishii*

Attachments:

Attachment A - Amendment No. 4

Attachment B - Subdivision Improvement Agreement recorded 5/31/2012

Attachment C - Extension Request Letter 04/21/2020

Attachment D - Engineering Cost Estimate Review Letter 04/21/2020

Attachment A

This page intentionally left blank.

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

County of Monterey
Department of Public Works
1441 Schilling Place, 2nd Floor
Salinas, CA 93901

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**AMENDMENT NO. 4 TO THE COUNTY OF MONTEREY SUBDIVISION
IMPROVEMENT AGREEMENT
FOR YORK HIGHLANDS RESUBDIVISION**

This Amendment No. 4 to the County of Monterey Subdivision Improvement Agreement For York Highlands Resubdivision ("Amendment No. 4") is entered into by and between the County of Monterey, a political subdivision of the State of California, (hereinafter "COUNTY"), and Monterey County Bank and United Security Bank (hereinafter "SUBDIVIDERS" or "OWNERS"). Collectively, COUNTY and SUBDIVIDERS or OWNERS are referred to as the "parties".

WHEREAS, a Subdivision Improvement Agreement was executed by the parties and recorded on May 31, 2012 as Official Records Document Number 2012031807 for the York Highlands Resubdivision (hereinafter "Resubdivision", an Amendment No. 1 to said Subdivision Improvement Agreement was executed by the parties and recorded on May 29, 2014 as Official Records Document Number 2014024695, an Amendment No. 2 to said Subdivision Improvement Agreement was executed by the parties and recorded on March 31, 2016 as Official Records Document Number 2016016626, and an Amendment No. 3 to said Subdivision Improvement Agreement was executed by the parties and recorded on September 20, 2018 as Official Records Document Number 2018041573. (The Subdivision Improvement Agreement, as amended pursuant to Amendment Nos. 1, 2 and 3 is hereinafter referred to as "Agreement")

WHEREAS, OWNERS are banks subject to the regulatory authority of the FDIC, and are not proper entities to complete the subdivision improvements;

WHEREAS, OWNER, Monterey County Bank, has transferred certain real property which is the subject of this Agreement to MCBL-1, Inc., a California corp., and the parties have agreed that MCBL-1, Inc., a California corp. shall be added as an OWNER and party to this Agreement;

WHEREAS, OWNER, United Security Bank, has transferred certain real property which is

the subject of this Agreement to York Monterey Properties, Inc., a California corp., and the parties have agreed that York Monterey Properties, Inc., a California corp. shall be added as an OWNER and party to this Agreement;

WHEREAS, it is contemplated in the Agreement that the Resubdivision would be transferred to one or more developers who would in turn complete the subdivision improvements;

WHEREAS, Signature York Highlands, LLC, a California limited liability company purchased certain real property in the York Highlands Resubdivision from OWNERS and installed the first \$5,000,000 of subdivision improvements, and the COUNTY released its security in ten (10) lots in the York Highlands Resubdivision as contemplated under the Agreement;

WHEREAS, completion of the remaining subdivision improvements is delayed because the remaining lots in the York Highlands Resubdivision have not yet been transferred to a developer due to various processing and regulatory delays; and

WHEREAS, OWNERS have requested an extension of time under the Agreement to complete the subdivision improvements;

WHEREAS, the parties desire to amend the Agreement to extend the time for completion of the subdivision improvements for the York Highlands Resubdivision;

Now therefore, the parties agree that the Agreement is amended as follows:

1. MCBL-1, Inc., a California corp., is hereby added as an OWNER and party to this Agreement.
2. York Monterey Properties, Inc., a California corp., is hereby added as an OWNER and party to this Agreement.
3. The first sentence of Paragraph d, at line 2 on Page 10, is amended to read as follows:

Commence the construction and installation of the Improvements and complete said work no later than December 31, 2022, unless otherwise mutually agreed to by the Parties.

4. Paragraph c, to section 20 on page 19 is hereby added to read as follows:

In addition to, and without alteration to the indemnification provided by this section 20 of this Agreement, United Security Bank, hereby agrees to immediately indemnify, defend, and hold COUNTY harmless from and against any and all loss, damage or liability, costs or expenses whatsoever, in connection with any third party claim whatsoever (including reasonable attorneys' fees and court costs) from The Don Chapin Co., Inc., Seatec Underground Utilities Company, Inc., and/or their assigns, arising from or in connection with this Subdivision Improvement Agreement, including but not

limited to, any claim made against the COUNTY in the existing litigation between those third parties and United Securities Bank and/or Signature York Highlands, LLC. United Security Bank shall have the discretion and authority to choose defense counsel under this subsection of the indemnification clause, subject to approval by and in coordination with the Office of the Monterey County Counsel, which approval shall not be unreasonably withheld.

5. Recordation. Upon execution of this Amendment No. 4 to the Agreement, OWNERS shall cause recordation thereof with the County Recorder's Office.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date written below.

OWNER:

MONTEREY COUNTY BANK

DATE: _____ By: _____
Charles T. Chrietzberg, Jr., President

OWNER:

MCBL-1, INC.

DATE: _____ By: _____

OWNER:

UNITED SECURITY BANK

DATE: _____ By: _____
Dennis R. Woods, President

OWNER:

YORK MONTEREY PROPERTIES, INC.

DATE: _____ By: _____

COUNTY OF MONTEREY:

DATE: _____ By: _____
Chair, Board of Supervisors

ATTEST:

DATE: _____ By: _____
Clerk of the Board, Board of Supervisor

APPROVED AS TO FORM:
LESLIE GIRARD, COUNTY COUNSEL
COUNTY OF MONTEREY

DATE: _____ By: _____
Deputy County Counsel

Notary Acknowledgments Follow

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 _____)

On _____ before me, _____, a Notary Public,
personally appeared _____,

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 _____

(SEAL)

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.

On _____ before me, _____, a Notary Public,
personally appeared _____,

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 _____

(SEAL)

This page intentionally left blank

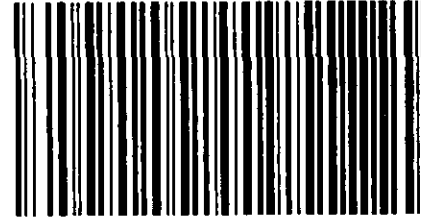
Attachment B

This page intentionally left blank.

Recording Requested By And
When Recorded Return to:

County of Monterey
Department of Public Works
168 W. Alisal Street, 2nd Floor
Salinas, CA 93901

DOCUMENT: **2012031807**



Titles: 1/ Pages: 103

Fees.....
Taxes....
Other...
AMT PAID

COUNTY OF MONTEREY

SUBDIVISION IMPROVEMENT AGREEMENT

THIS SUBDIVISION IMPROVEMENT AGREEMENT hereinafter "AGREEMENT" is made and effective as of the last date opposite the respective signatures, by and between the County of Monterey, a political subdivision of the State of California (hereinafter "COUNTY"), and MONTEREY COUNTY BANK and UNITED SECURITY BANK (hereinafter "SUBDIVIDERS" or "OWNERS").

RECITALS

This AGREEMENT is made with respect to the following facts which each party acknowledges as true and correct:

Final Map: *York Highlands Resubdivision ("RESUBDIVISION")*

Tentative Map Resolutions of Approval No.: *Board of Supervisors Resolution Nos. 11-342 and 12-038*

Title of Improvement Plans: *York Highlands Resubdivision*

Name of Surety or Financial or Other Institution Providing Security Instrument (hereafter referred to as "Surety"), Address, and Contact Person:

Estimated Cost of Improvements:

<i>Streets – Public/Private</i>	\$	4,067,485.00
<i>Storm Drain</i>	\$	528,170.00
<i>Sewer</i>	\$	927,836.00
<i>Water</i>	\$	1,333,300.00

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

<i>Landscaping</i>	\$	32,545.00
<i>Other Infrastructure</i>	\$	786,000.00
Estimated Total Cost of Improvements:	\$	7,675,336.00
<i>10% Contingency</i>	\$	767,533.60
<i>10% Construction Management</i>	\$	767,533.60

Faithful Performance Bond (100% of
Estimated Total Costs):

Form of Security, if other than bond: deed/trust \$ **9,210,403.20**

Reference Information (e.g. Bond No.): N/A

Labor & Materials Bond (50% of Estimated Total Cost): \$

Form of Security, if other than bond: deed/trust \$ **4,605,201.60**

Reference Information (e.g. Bond No.): N/A

Warranty Security (20% of Estimated Total Cost): \$

Form of Security, if other than bond: deed/trust \$ **1,842,080.64**

Reference Information (e.g. Bond No.): N/A

Estimated Total Cost of Monumentation \$ 34,000.00

Form of Security, if other than bond: deed/trust **(\$34,000.00)**

Reference Information (e.g. Bond No.): N/A

- A. The RESUBDIVISION involved a redesign of a portion of Monterra Phase VIII and all of Monterra Phase X arising out of the failure by the Monterra Ranch Subdivision developer MONTERRA RANCH PROPERTIES, LLC, a California limited liability company to perform its obligations to complete improvements for Monterra Phase VIII and Phase X as set forth in those documents entitled "Monterey County Subdivision Improvement Agreement" recorded at Document No. 2005095835 on September 14, 2005 and "Monterey County Subdivision Improvement Agreement For Monterra Ranch Phase X" recorded at Document No. 2005127220 on December 1, 2005 filed with the

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
 APPLICANT SUBMITTAL

Monterey County Recorder in the County of Monterey (hereinafter "PRIOR SUBDIVISION IMPROVEMENT AGREEMENTS").

- B. Existing Deeds of Trust encumber the properties within the RESUBDIVISION in favor of the County of Monterey to guarantee faithful performance of the work required to complete Monterra phased subdivision improvements including (1) that Deed of Trust given by Hanover-Monterra Investors, II filed for record on September 29, 1992 in Reel 2851 at Page 689; (2) that Deed of Trust given by Monterra Ranch Properties LLC, a California limited liability company at Document 2005095835 filed for record on September 14, 2005, and (3) that Deed of Trust given by Monterra Ranch Properties LLC, a California limited liability company at Document 2005127220 filed for record on December 1, 2005 each recorded in the Official Records in the Office of the Recorder for the County of Monterey, State of California ("hereinafter EXISTING DEEDS OF TRUST"). From the time of recordation of these EXISTING DEEDS OF TRUST, a lien attached to the properties within Monterra Phase VIII and Monterra Phase X and such lien has the priority of a judgment lien in the amount necessary to complete the Improvements not to exceed the amount specified in the PRIOR SUBDIVISION IMPROVEMENT AGREEMENTS.
- C. Monterey County Bank and United Security Bank are owners of property located within the YORK HIGHLANDS RESUBDIVISION.
- D. In 2009, COUNTY notified OWNERS and other property owners of lots in Monterra Phases VIII and X that the County expected the current owners of property within Monterra Phases VIII and X to take necessary steps to provide adequate security for the completion of subdivision improvements, and that if appropriate substitute security was not received, the County may either initiate foreclosure proceedings on the EXISTING DEEDS OF TRUST securing completion of improvements and payment to contractors under the PRIOR SUBDIVISION IMPROVEMENT AGREEMENTS, or initiate reversion proceedings to revert the subdivision to acreage as provided by law.

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

- E. In 2010, COUNTY notified OWNERS that COUNTY would refrain from such foreclosure or reversion proceedings to facilitate the RESUBDIVISION of Monterra Phases VIII and X to afford OWNERS an opportunity to provide appropriate security.
- F. OWNERS presented to COUNTY for approval and recordation a final map of the RESUBDIVISION pursuant to the Subdivision Map Act (California Government Code Section 66499.20-1/2) and COUNTY ordinances and regulations relating to the filing, approval and recordation of subdivision maps. The Subdivision Map Act and COUNTY ordinances and regulations relating to the filing, approval and recordation of subdivision maps are collectively referred to in this AGREEMENT as the "Subdivision Laws."
- G. A vesting tentative map of the RESUBDIVISION has been approved subject to the Subdivision Laws and to the requirements and conditions of approval ("Conditions of Approval") contained in Board of Supervisors Resolution Nos. 11-342 and 12-038 ("Resolutions"). These Resolutions are on file in the office of the Clerk to the Board of Supervisors and are incorporated into this AGREEMENT by reference.
- H. In consideration of approval of a final map for the RESUBDIVISION by the County Board of Supervisors and reimbursement for costs incurred beyond its proportionate share of subdivision improvement costs, OWNERS desire to enter into this AGREEMENT, whereby OWNERS promise to complete all the improvement work described in the Improvement Plans (hereinafter "Improvements") within the RESUBDIVISION. OWNERS intend to transfer their respective properties within the RESUBDIVISION to one or more developers (hereinafter individually "DEVELOPER", and collectively, "DEVELOPERS"). Pursuant to Paragraph 9 herein, in the event of such transfer, each DEVELOPER will assume all obligations of the transferor OWNER(S) under this AGREEMENT by executing a replacement agreement to this AGREEMENT as part of the transfer of the properties within the RESUBDIVISION, thereby relieving the transferor OWNER(S) of their obligations hereunder..
- I. OWNERS have secured this AGREEMENT by improvement security required by the Subdivision Laws and approved by the Office of the County Counsel.

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

- J. Complete Improvement Plans for the construction, installation and completion of the Improvements have been prepared by OWNERS and approved by the County Engineer (hereinafter "Improvement Plans"). These Improvement Plans identify some changes or alterations in the work identified on the improvement plans for Monterra Ranch Phase VIII, and engineer estimates identify that such changes or alterations will substantially reduce the cost of improvements. The Improvement Plans for this RESUBDIVISION are on file in the office of the County Engineer and are incorporated into this AGREEMENT by reference. All references in this AGREEMENT to the Improvement Plans shall include reference to any specifications for the Improvements as approved by the County Engineer. The term "County Engineer" as used in this AGREEMENT refers to the COUNTY Director of Public Works or his/her designee licensed to practice civil engineering in the State of California.
- K. Within thirty (30) days after completion of the required Improvements and their acceptance or approval by COUNTY, it is necessary that certain monuments and stakes as specified on the final map for the RESUBDIVISION be installed.

NOW, THEREFORE, in consideration of the approval and recordation by the COUNTY of the final map of the RESUBDIVISION and the mutual covenants and agreements contained herein, OWNERS and COUNTY agree as follows:

1. **Partial Reconveyances of Existing Deeds of Trust.** COUNTY shall release the properties located within the RESUBDIVISION from the EXISTING DEEDS OF TRUST (copies of which are attached hereto as Exhibit A) upon completion of one or both of the following:

- (a) Full and complete payment of mechanic's liens encumbering each of the existing lots located within the boundaries of the RESUBDIVISION *prior* to recordation of the final map for the RESUBDIVISION; and/or

- (b) The recordation of a separate promissory note for each reconfigured lot within the RESUBDIVISION each secured by a new First Deed of Trust, respectively. The amount of each such new promissory note is \$105,217.55. Said promissory notes and corresponding First Deeds of Trust, in the form

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

attached hereto as Exhibit B. shall be recorded for each lot concurrently with the recordation of the final map for the RESUBDIVISION

COUNTY shall not reconvey and release any of the Remaining Phase VIII properties under the Existing Deeds of Trust including that certain Deed of Trust given by Hanover-Monterra Investors, II filed for record on September 29, 1992 in Reel 2851 at Page 689, and that certain Deed of Trust given by Monterra Ranch Properties LLC, a California limited liability company at Document 2005095835 filed for record on September 14, 2005, each recorded in the Official Records in the Office of the Recorder for the County of Monterey, State of California ("1992 and Phase VIII Deeds of Trust"). The 1992 and Phase VIII Deeds of Trust shall remain as security to secure completion of subdivision improvements for the Remaining Phase VIII Properties, and to secure payment of costs for completion of subdivision improvement that benefit the Remaining Phase VIII Properties, including but not limited to providing reimbursement to OWNERS for actual costs expended beyond OWNERS' proportionate share that benefits the Remaining Phase VIII Properties secured by the 1992 and Phase VIII Deeds of Trust. Copies of the forms of reconveyance are attached as Exhibit C.

2. Substitute Security. OWNERS shall at all times guarantee performance of this AGREEMENT by furnishing to COUNTY good and sufficient security acceptable to COUNTY and in conformity with the Subdivision Laws on forms approved by COUNTY and by maintaining said security for the purposes and in the amounts as follows:

- a. **New Deeds of Trust.** New subordinated deeds of trust in favor of the County of Monterey in the form attached hereto as Exhibit D and incorporated herein by reference ("Subordinated Deeds of Trust") shall be recorded concurrently with the recordation of the final map for the RESUBDIVISION. A first deed of trust for Lots 3, 4 and 5 in the form attached hereto as Exhibit E shall also be recorded in favor of the County of Monterey concurrently with the recordation of the final map for the RESUBDIVISION. These Subordinated Deeds of Trust and first deed of trust for Lots 3, 4 and 5 shall secure the amount of 100% of the estimated cost of the Improvements to guarantee construction and installation of all the

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

Improvements, plus 50% of the estimated costs of the Improvements to secure payment to any contractor, subcontractor, persons renting equipment, or furnishing labor and materials for the Improvements required to be constructed or installed pursuant to this AGREEMENT; plus 20% of the estimated cost of the Improvements to guarantee or warranty the work done pursuant to this AGREEMENT for a period of one (1) year following the completion and acceptance or approval thereof by COUNTY against any defective work or labor done or defective materials furnished; plus 100% of the estimated cost of setting subdivision monuments. From the time of recordation of the Subordinated Deeds of Trust, a lien shall attach to the real property described in Exhibit 1 to said Subordinated Deeds of Trust, and such lien shall have priority of a judgment lien in the amount necessary to complete the Improvements not to exceed the amounts specified in the recitals to this Agreement.

- b. Upon request of OWNERS, COUNTY shall execute any and all documents necessary to subordinate the Subordinated Deeds of Trust securing performance hereunder, executed by OWNERS or OWNERS' successors in interest, in order to, secure a construction loan or loans constituting security pursuant to Government Code Section 66499(a)(2) or 66499(a)(3) for the construction of the Improvements set forth in this AGREEMENT. At such time as the OWNERS or OWNERS' successors interest submit that such construction loan or loans are secured, COUNTY shall release the properties encumbered by the Subordinated Deeds of Trust through the partial reconveyances as provided in Paragraph 2(c).
- c. **Substitute Security.** COUNTY shall reconvey the Subordinated Deeds of Trust releasing certain lots within the RESUBDIVISION at such time as the certain funds are irrevocably committed to a loan commitment account or other acceptable form of security approved by County Counsel consistent with Government Code Section 66499(a)(2) or 66499(a)(3) as follows:

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

- i. COUNTY shall release ten (10) lots selected by OWNERS within the RESUBDIVISION upon a first installment of committed funds in the sum of \$5 million;
- ii. COUNTY shall release an additional nine (9) lots selected by OWNERS within the RESUBDIVISION upon a second installment of committed funds in the sum of \$5 million;
- iii. COUNTY shall release the first deed of trust recorded on the remaining three (3) lots, Lots 3, 4, and 5, within the RESUBDIVISION upon a third installment of committed funds in the remaining security amounts or receipt of certification of completion of subdivision improvements by a qualified engineer. COUNTY may retain from such security released an amount sufficient to cover costs and reasonable expenses and fees, including reasonable attorneys' fees incurred by COUNTY in successfully enforcing the obligation secured.

Any replacement security as provided herein, shall be filed with the COUNTY.

- d. The security provided herein shall not affect the personal liability of any person for payment of the indebtedness secured by the EXISTING DEEDS OF TRUST. OWNERS shall be entitled to reimbursement of costs incurred beyond OWNERS' proportionate share of shared subdivision improvements secured by the EXISTING DEEDS OF TRUST as set forth in Paragraph 3.

3. Reimbursement. COUNTY agrees that some of the subdivision improvements under the Improvement Plans including street, drainage, sewer and water lines, and other underground utilities will benefit the remaining properties within Monterra Phase VIII located outside of the RESUBDIVISION ("Remaining Phase VIII Properties). The Improvement Plans identify some changes or alterations in the work identified on the improvement plans for the originally designed Monterra Ranch Phases VIII and X, and engineer estimates identify that such changes or alterations will reduce the cost of improvements. COUNTY shall not reconvey the EXISTING DEEDS OF TRUST releasing the Remaining Phase VIII Properties, which shall continue to secure the

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

completion of subdivision improvements, as modified under the Improvement Plans for the RESUBDIVISION, and payment to contractors under the PRIOR SUBDIVISION IMPROVEMENT AGREEMENTS. OWNERS shall be entitled to reimbursement of actual amounts incurred beyond the proportionate share of subdivision improvement costs for the RESUBDIVISION that benefit the Remaining Phase VIII Properties. Any recovery by the COUNTY in exercising its remedies under the EXISTING DEEDS OF TRUST shall be used to repay or reimburse OWNERS of the RESUBDIVISION for costs incurred by OWNERS for completion of subdivision improvements beyond OWNERS' proportionate share of the costs of shared subdivision improvements, but such recovery is not the exclusive repayment source for this reimbursement. The proportionate share of costs of shared subdivision improvements located within the RESUBDIVISION boundaries benefitting the Remaining Phase VIII Properties are currently estimated at Eight Hundred and Fifty Thousand Dollars (\$850,000.00).

- 4. OWNERS' Obligations to Construct Improvements.** OWNERS intend to transfer their respective properties within the RESUBDIVISION to a one or more developers who will carry out the obligation of the transferor OWNERS(S) to construct the subdivision improvements for the RESUBDIVISION, thereby relieving the transferor OWNER(S) from such obligations. OWNERS agree to the obligations set forth herein provided that in the event of such transfer to DEVELOPER, COUNTY shall duly execute a replacement agreement agreeing to the full transfer of the obligations of the transferor OWNER(S) to DEVELOPER(S) in the form attached as Exhibit F. OWNERS shall:
- a. Comply with all of the requirements of the Conditions of Approval of the vesting tentative map for the RESUBDIVISION.
 - b. Construct and install all of the Improvements in conformance with the Improvement Plans for the RESUBDIVISION and applicable County and State standards subject to reimbursement as provided in Paragraph 3 above.
 - c. All required off-site Improvements included in the Improvement Plans shall be completed prior to or concurrently with on-site work and shall be substantially

completed to the satisfaction of the County Engineer prior to the granting of occupancy for any new unit:

- d. Commence the construction and installation of the Improvements within one year from the COUNTY'S approval of said final map and complete said work within two years from the date of said approval unless otherwise approved by the COUNTY. Any extension shall be in accordance with the provisions of Title 19 of the Monterey County Code. Any such extension may be granted without notice to any party who posts loan funds or other acceptable form of security pursuant to Paragraph 2 (the SECURITY PROVIDER") and shall not affect the validity of this AGREEMENT or release any security given under this AGREEMENT. Strikes, boycotts, or similar actions by employees or labor organizations which prevent the conducting of work and which were not caused by or contributed to by OWNERS, shall constitute good cause for an extension of the time for completion. As a condition of such extension, the County Engineer may require OWNERS to furnish new security guaranteeing performance of this AGREEMENT as extended in an increased amount as necessary to compensate for any increase in construction costs as determined by the County Engineer.
- e. Acquire and dedicate, or pay the cost of acquisition by COUNTY, of all rights-of-way, easements and other interests in real property for construction or installation of the Improvements within RESUBDIVISION, free and clear of all liens and encumbrances that compromise or interfere with the intended purposes of the rights-of-way, easements, or other interests.
- f. **Erosion Control.** OWNERS will take all necessary actions during the course of construction to prevent erosion damage to adjacent properties during inclement weather. It is understood and agreed that in the event of failure on the part of OWNERS to prevent erosion, COUNTY may do the work on an emergency basis and back-charge the OWNERS for the actual expenses incurred, and, if necessary, after providing notice to OWNERS, proceed against the Faithful Performance Security to cover COUNTY'S expenses.

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

- 5. Underground Utilities.** The following new utilities provided for in this RESUBDIVISION shall be placed underground: electric power lines, gas lines, water lines, telephone lines, and television cables, if applicable. Underground utility services, including laterals to the lots, shall be installed prior to placement of road base, concrete curb, and gutter and/or gutter and/or A.C. Dike and pavement.
- 6. Fire Hydrants, Roads, Sewer, and Storm Drainage Systems.** OWNERS shall pay for all maintenance and operation of private roads and private drives, fire hydrants, sewer, and storm drainage systems from the time of installation until acceptance or approval of the Improvements by the Board of Supervisors and until a Homeowners' Association duly incorporated and certified by the Secretary of the State of California and in good standing or other entity with legal authorization to collect fees sufficient to support the services is formed and assumes responsibility for the services. Fire hydrants shall be fully operational prior to occupancy of any dwelling within the RESUBDIVISION unless otherwise approved by the fire protection agency with jurisdiction.
- 7. Planting and Maintenance of Cut and Fill Area.** In addition to any landscaping requirements imposed by the Conditions of Approval, OWNERS shall seed and/or plant all cut and fill areas of the RESUBDIVISION as approved by the County Engineer including private drives as shown on said final map. All erosion control work shall be done prior to the acceptance of the Improvements. The seeding and planting work shall be done between November and April or sufficient water provided to ensure germination and growth until established. OWNERS shall directly maintain or guarantee through agreement or other means acceptable to the County Engineer, maintenance of the planted areas for one year from the time of completion of the work above described.
- a. Six months prior to termination of the one-year maintenance period, the plantings shall exhibit a normal healthy growth sufficient in the opinion of the County Engineer to control erosion. If in the opinion of the County Engineer, this condition does not exist, replanting shall be done at the OWNERS' expense. If necessary, topsoil and commercial fertilizer shall be used to promote the desired effect. The planted areas and streets shall be kept by OWNERS in a clean, neat,

and workmanlike condition, free of trash and other unsightly materials that might accumulate because of planting and landscaping activities. Any failure of the cut or fill slopes within the one-year maintenance period shall be rectified by OWNERS.

- b. Should the OWNERS request the release of the security described in this AGREEMENT, prior to the end of the maintenance period, OWNERS shall deliver to COUNTY a landscape and maintenance bond (or other security approved by the County) in the amount of the estimated cost of maintaining such landscaping. The bond shall be for a period consisting of the remainder of the one-year maintenance period and in a form approved by the County Engineer and Office of the County Counsel and shall be conditioned upon the performance of this AGREEMENT.
- c. The parties agree that upon expiration of the one-year maintenance period, the OWNERS or OWNERS' successor shall assume maintenance of the planted areas within the RESUBDIVISION with exception of private driveways, which shall be maintained by individual property owners.

8. Acquisition and Dedication of Easements or Rights-Of-Way. If any of the Improvements and land development work contemplated by this AGREEMENT is to be constructed or installed on land not owned by OWNERS, no construction or installation on such land shall be commenced before:

- a. The offer of dedication to COUNTY of appropriate rights-of-way, easements or other interest in real property, and appropriate authorization from the property owners to allow construction or installation of the improvements or work, or
- b. The dedication to, and acceptance by, COUNTY of appropriate rights-of-way, easements or other interests in real property, as determined by the County Engineer, or
- c. The issuance by a court of competent jurisdiction pursuant to the State Eminent Domain Law of an order of possession. OWNERS shall comply in all respects with the order of possession.

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

Nothing in this section shall be construed as authorizing or granting an extension of time to OWNERS.

- 9. Binding on Successors and Assigns.** This AGREEMENT shall be binding upon the successors and assigns of each of the parties. Sale of all or part of the lands of the underlying RESUBDIVISION shall not serve to transfer the obligations of the OWNERS under this AGREEMENT. All obligations under this AGREEMENT attach to OWNERS until all obligations of OWNERS are fulfilled or transferred by substitution of replacement agreement and replacement securities acceptable to COUNTY. COUNTY understands that OWNERS intend to transfer the RESUBDIVISION property, or portions thereof to one or more DEVELOPER(S), whereupon the obligations of each transferor OWNER under this AGREEMENT will be transferred to such DEVELOPER(S) under a duly executed replacement agreement in the form attached as Exhibit F. Upon submittal of a replacement agreement executed by such DEVELOPER(S), COUNTY shall accept such replacement agreement and execute same thereby relieving each transferor OWNER of all obligations under this AGREEMENT.
- 10. Inspection.** OWNERS shall retain a qualified and independent consulting Civil Engineer(s) to inspect construction of the Improvements and to certify that the Improvements are constructed in conformance with the Improvement Plans and any approved addenda thereto and applicable ordinances and regulations. An encroachment permit shall be required for any work in the County right-of-way. OWNERS shall at all times maintain proper facilities and safe access for periodic inspection of the Improvements by COUNTY. Upon completion of the work, the OWNERS' Engineer shall file original sealed "as built" plans with County Engineer and shall submit a sealed letter to County Engineer certifying that OWNERS' Engineer has inspected the Improvements throughout construction and that said Improvements are completed in conformance with the Improvement Plans and in accordance with this AGREEMENT. Thereafter, the County Engineer shall file the notice of completion of the Improvements with the County Board of Supervisors. No Improvements shall be finally accepted or approved by COUNTY unless all aspects of the work have been inspected and certified

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

as completed in accordance with the Improvement Plans and County standards. OWNERS shall bear all costs of plan check, inspection and certification.

11. Injury to Improvements, Public Property or Public Utilities Facilities. OWNERS shall replace or have replaced, or repair or have repaired, as the case may be, all Improvements, public utilities facilities and surveying or subdivision monuments which are destroyed or damaged as a result of any work under this AGREEMENT. OWNERS shall bear the entire cost of replacement or repairs of any and all public or public utility property damaged or destroyed by reason of any work done under this AGREEMENT, whether such property is owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by COUNTY or any public or private utility corporation or by any combination of such owners. Any repair or replacement shall be to the satisfaction, and subject to the approval, of the County Engineer.

12. Permits. OWNERS shall, at OWNERS' expense, obtain all necessary permits and licenses for the construction and installation of the Improvements under this AGREEMENT, give all necessary notices, and pay all fees and taxes required by law.

13. Default of OWNER(S).

- a. Default of OWNERS shall include, but not be limited to, OWNERS' failure to timely commence or complete construction of the Improvements; OWNERS' failure to timely cure any defect in the Improvements; or OWNERS' failure to perform any other obligation under this AGREEMENT.
- b. Default of OWNERS shall also include OWNERS' insolvency, appointment of a receiver or the filing of any petition in bankruptcy, either voluntary or involuntary, which OWNERS fail to discharge within thirty (30) days; or action by a banking regulatory agency with appropriate jurisdiction that prevents either owner or both from fulfilling the obligations set forth herein, or the commencement of a foreclosure action against the RESUBDIVISION

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

or a portion thereof, or any conveyance in lieu or in avoidance of foreclosure. Notwithstanding the foregoing, the COUNTY may find OWNERS are not in default under this subsection if COUNTY finds that OWNERS, in the opinion of the COUNTY Engineer, continue to prosecute construction of the Improvements to completion and the securities provided pursuant to this AGREEMENT remain in full force and effect.

- c. COUNTY reserves to itself all remedies available to it at law or in equity for breach of the OWNERS' obligations under this AGREEMENT. COUNTY shall have the right, subject to this section, to draw upon or utilize the appropriate security to mitigate COUNTY damages in event of default by OWNERS. The right of COUNTY to draw upon or utilize the security is additional to and not in lieu of any other remedy available to COUNTY. COUNTY reserves to itself all remedies available to it at law or in equity for breach of the original developer's obligations under the PRIOR SUBDIVISION AGREEMENTS. The sums provided by the improvement security may be used by COUNTY for the completion of the Improvements in accordance with the approved Improvement Plans.
- d. In the event of OWNERS' default under this AGREEMENT, OWNERS authorize COUNTY to perform such obligation twenty (20) days after mailing written notice of default to OWNERS and to all SECURITY PROVIDERS, and OWNERS agree to pay the entire cost of such performance by COUNTY.
- e. COUNTY may take over the work and prosecute the same to completion, by contract or by any other method COUNTY may deem advisable, for the account and at the expense of OWNERS, COUNTY may realize on any security posted pursuant to this AGREEMENT for any excess cost or damages occasioned COUNTY thereby; and, in such event, COUNTY, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

belonging to OWNERS, as may be on the site of the work and necessary for performance of the work.

- f. In the event that OWNERS fail to perform any obligation under this Agreement, OWNERS agree to pay all costs and expenses incurred by COUNTY in securing performance of such obligations, including costs of suit and reasonable attorneys' fees.
- g. The failure of COUNTY to take an enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or subsequent default or breach by OWNERS.
- h. OWNERS recognize that by approval of the final map for RESUBDIVISION, COUNTY has conferred substantial rights, including the right to sell, lease, or finance lots within the RESUBDIVISION, and has taken the final act necessary for the resubdivision of the property. As a result, OWNERS recognize that COUNTY will be damaged by OWNERS' failure to perform its obligations under this AGREEMENT, including but not limited to, failure to complete construction of Improvements by the time established in this AGREEMENT. COUNTY shall be entitled to all remedies available to it pursuant to this AGREEMENT and the Subdivision Laws in the event of a default by OWNER.

14. Warranty. OWNERS shall guarantee and warranty the work done pursuant to this Agreement for a period of one (1) year following the completion of the work and Improvements and acceptance or approval thereof by the COUNTY against any defective work or labor done or defective materials furnished. If within the warranty period any work or improvement or part of any work or improvement done, furnished, installed, constructed or caused to be done, furnished, installed or constructed by OWNERS fails to fulfill any of the requirements of this AGREEMENT or conform to the Improvement Plans and specifications referred to herein, OWNERS shall without delay and without any cost to COUNTY, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should OWNERS fail to act

promptly or in accordance with this requirement, OWNERS hereby authorize COUNTY, at COUNTY'S option, to perform the work twenty (20) days after mailing written notice of default to OWNERS and to all SECURITY PROVIDERS, and OWNERS agree to pay the cost of such work by COUNTY. Should COUNTY determine that an emergency requires repairs or replacements to be made before OWNERS can be notified, COUNTY may, in its sole discretion, make the necessary repairs or replacements to the Improvements or perform the necessary work, and OWNERS shall pay to COUNTY the cost of such emergency repairs, not to exceed the maximum amount of the warranty security under this AGREEMENT.

15. OWNERS Not Agent of County. Neither OWNERS nor any of OWNERS' agents or contractors are or shall be considered to be agents of COUNTY in connection with the performance of OWNERS' obligations under this Agreement.

16. Injury to Work. Until such time as the Improvements are accepted or approved by COUNTY, OWNERS shall be responsible for and bear the risk of loss to any of the Improvements constructed or installed. Until such time as all Improvements required by this AGREEMENT are fully completed and accepted or approved by COUNTY, OWNERS will be responsible for the care, maintenance of, and any damage to such Improvements. COUNTY shall not, nor shall any officer or employee thereof be liable or responsible for any accident, loss or damage, regardless of cause, happening or occurring to the work or Improvements specified in this AGREEMENT prior to the completion and acceptance of the work or Improvements. All such risks shall be the responsibility of and are hereby assumed by OWNERS.

17. Other Agreements. Nothing contained in this AGREEMENT shall preclude COUNTY from expending monies pursuant to agreements concurrently or previously executed between the parties, or from entering into agreements with other parties for the apportionment of costs of water and sewer mains, or other improvements, pursuant to the provisions of COUNTY ordinances providing therefor and consistent with the terms of this AGREEMENT. Nothing in this AGREEMENT shall be construed to create a third party beneficiary, or to create rights on any third party not otherwise provided for by law.

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

18. OWNERS' Obligation to Comply with Good Construction Practices. Until final acceptance of the Improvements, OWNERS shall take all reasonable actions consistent with prevailing safety standards and generally accepted good construction practices to protect the public.

19. Vesting of Ownership. Upon acceptance or approval of the work on behalf of COUNTY and recordation of the Notice of Completion, ownership of the Improvements constructed pursuant to this Agreement shall vest as shown on the Final Map and in accordance with the provisions set forth in the Conditions of Approval.

20. Indemnity/Hold Harmless.

- a. COUNTY or any officer, agent, or employee thereof shall not be liable for any injury to persons or property occasioned by reason of the acts or omissions of OWNERS, its agents or employees in the performance of this AGREEMENT. OWNERS further agree to protect, defend, indemnify, and hold harmless COUNTY, its officials, agents, and employees from any and all claims, demands, causes of action, liability or loss of any sort, including but not limited to attorneys fees and litigation expenses, because of, or arising out of, acts or omissions of OWNERS, its agents or employees in the performance of this AGREEMENT, including all claims, demands, causes of action, liability, or loss because of, or arising out of, in whole or in part, the design or construction of the Improvements. This indemnification and agreement to hold harmless shall extend to injuries to persons and damages or taking of property resulting from the design or construction of said RESUBDIVISION, and the Improvements as provided herein.
- b. Acceptance or approval by COUNTY of the Improvements shall not constitute an assumption by COUNTY of any responsibility for any damage or taking covered by this paragraph. COUNTY shall not be responsible for the design or construction of the RESUBDIVISION or the Improvements pursuant to the approved Improvement Plans or map, regardless of COUNTY'S approval of the plans or map, unless the particular improvement design was specifically required

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

by COUNTY over written objection by OWNERS submitted to the County Engineer before approval of the particular improvement design, which objection indicated that the particular improvement design was dangerous or defective and suggested an alternative safe and feasible design. Except as may be provided above, COUNTY shall not be liable for approving, reviewing, checking, or correcting any plans or specifications or for approving, reviewing or inspecting any work or construction. Nothing contained in this paragraph is intended to or shall be deemed to limit or waive any protections or immunities afforded by law to COUNTY, its officials, agents and employees, by virtue of COUNTY'S approval of the plan or design of the Improvements, including without limitation the protections and immunities afforded by Government Code Section 830.6. After acceptance or approval of the Improvements, OWNERS shall remain obligated to eliminate any defect in design or dangerous condition caused by the design or construction defect, to the extent required by law. It is the intent of this paragraph that OWNERS shall be responsible for all liability for design and construction of the Improvements installed or work done pursuant to this AGREEMENT and that COUNTY shall not be liable for approving, reviewing or inspecting any work or construction. The improvement security shall not be required to cover the provisions of this paragraph.

21. Insurance. Without limiting OWNERS' duty to indemnify the COUNTY, OWNERS shall maintain in effect throughout this AGREEMENT a policy or policies of insurance with the limits of liability specified herein. COUNTY does not and shall not waive any rights against OWNERS which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by COUNTY of any deposit with COUNTY by OWNERS or any of the insurance policies described in herein. The aforesaid hold harmless agreement by OWNERS shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid activities or operations referred to herein, regardless of whether or not COUNTY has prepared, supplied or approved plans and/or specifications for the RESUBDIVISION, or

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

regardless of whether or not such insurance policies have been determined to be applicable to any such damages or claims for damages. Further, OWNERS shall not commence work under this AGREEMENT until OWNERS shall have obtained all insurance required herein. All requirements herein shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

- a. **Workers' Compensation Insurance.** OWNERS shall maintain, during the life of this AGREEMENT, workers compensation insurance for all OWNERS' employees employed at the site of improvements in accordance with California Labor Code Section 3700 and with a minimum of \$1,000,000 per occurrence for employer's liability. OWNERS shall require any contractor or subcontractor similarly to provide worker's compensation insurance for all contractors' and/or subcontractors' employees, unless such employees are covered by this protection afforded by OWNER. In any case, if any class of employees engaged in work under this AGREEMENT at the site of the project is not protected under any workers' compensation law, OWNERS shall provide insurance acceptable to COUNTY for the protection of employees not otherwise protected. OWNERS hereby indemnify COUNTY for any damage resulting from failure of either OWNERS or any contractor or subcontractor to take out or maintain such insurance.
- b. **Commercial General Liability Insurance.** OWNERS shall take out and maintain during the life of this AGREEMENT such commercial general liability insurance as shall protect the COUNTY, its officers, agents and employees, OWNERS and any contractor or subcontractor performing work covered by this AGREEMENT from claims for damages for personal injury, including death, as well as from claims for property damage which may arise from OWNERS' or any contractor's or subcontractor's operations hereunder, whether such operations be by OWNERS or any contractor or subcontractor, or by anyone directly or indirectly employed by either OWNERS or any contractor or subcontractor performing work covered by this AGREEMENT. The amount of such insurance shall not be

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

less than \$1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for contractual liability, independent contractors, personal injury, broadform property damage, explosion, collapse and underground (XCU) products and completed operations.

- c. Business automobile liability insurance: OWNERS shall maintain during the life of this AGREEMENT business automobile liability insurance covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit of not less than \$1,000,000 per occurrence combined single limit for Bodily Injury and Property Damage.
- d. Professional liability insurance: In connection with Section 19.B. above which provides that OWNERS shall remain obligated to eliminate any defect in design or dangerous condition caused by the design or construction defect and that OWNERS shall be responsible for all liability for design and construction of the Improvements installed or work done pursuant to this AGREEMENT, OWNERS shall maintain in effect throughout the term of this AGREEMENT, professional liability insurance, as applicable, in the amount of not less than \$1,000,000 per claim and \$3,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three (3) years following the expiration or earlier termination of this AGREEMENT.
- e. All insurance required by this AGREEMENT shall be with a company acceptable to the COUNTY and authorized by law to transact insurance business in the State of California. The general liability insurance policies shall contain a standard form of endorsement, with coverage equal to that provided by ISO Form 20 10

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

(11-85 edition) insuring and naming the COUNTY OF MONTEREY, its officers, agents and employees as additional insureds and providing that such insurance is primary insurance to any insurance or self-insurance maintained by the COUNTY and that the insurance or self-insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the OWNERS' insurance. Prior to or concurrently with the execution of this AGREEMENT, OWNERS shall furnish COUNTY with a certificate of insurance, showing that the OWNERS have in effect the insurance required by this AGREEMENT and showing that each carrier is required to give COUNTY at least thirty (30) days written prior notice of any cancellation or reduction in coverage of any policy during the effective period of this AGREEMENT. OWNERS shall file with the COUNTY a new or amended certificate of insurance promptly after any change is made in any insurance policy which would alter the information of the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause of this AGREEMENT, which shall remain in full force and effect.

22. Time for Commencement of Work/Time Extensions. OWNERS shall commence construction of the Improvements required by this AGREEMENT within one year of execution of this AGREEMENT. Any extensions shall be in accordance with Title 19 of the Monterey County Code.

23. Notices. All notices required or provided for under this AGREEMENT shall be in writing and delivered in person or sent by mail, postage prepaid, and addressed as provided in this section. Notice shall be effective on the date it is delivered in person or, if mailed, on the date of deposit in the United States Mail. Notices shall be addressed as follows, unless a written change of address is filed with the COUNTY.

COUNTY: Direct of Public Works
 County of Monterey Public Works Department
 168 W. Alisal Street, 2nd Floor
 Salinas, CA 93901

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

OWNERS:

Charles T. Chrietzberg, Jr., President
Monterey County Bank
601 Munras Avenue
Monterey, CA 93940

Dennis R. Woods, President
United Security Bank
2126 Inyo Street
Fresno, CA 93721

with a copy to:

Wanger Jones Helsley PC
Attention Timothy Jones Esq.
265 River Park Circle
Suite 310
Fresno, Ca 93720

24. Incorporation of Recitals. The Recitals to this AGREEMENT are hereby incorporated into the terms of this AGREEMENT.

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

25. Entire Agreement. This AGREEMENT constitutes the entire agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this AGREEMENT must be in writing and approved and executed by the appropriate representatives of the parties.

26. Negotiated Document. It is agreed and understood by the parties hereto, that this AGREEMENT has been arrived at through negotiations and that neither party is deemed to be the party which prepared the AGREEMENT within the meaning of Civil Code Section 1654.

27. Recordation. Upon execution of this AGREEMENT, OWNERS shall cause recordation thereof with the County Recorder's Office.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the dates set forth beside their respective signatures.

OWNER:

MONTEREY COUNTY BANK

DATE: 5-17-12 By: Charles T. Chritzberg, Jr.
Charles T. Chritzberg, Jr., President

OWNER:

UNITED SECURITY BANK

DATE: 5/17/12 By: Dennis R. Woods
Dennis R. Woods, President

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

COUNTY OF MONTEREY

Date: 5-23-12

Dave Potter
Chair, Board of Supervisors
DAVE POTTER

ATTEST:

Date: 5-23-12

Denise Hancock
Gail T. Borkowski Denise Hancock
Board Clerk, Board of Supervisors dh

APPROVED AS TO FORM:

CHARLES J. McKEE, COUNTY COUNSEL
COUNTY OF MONTEREY

Date: 5-21-12

By: Cynthia L. Hasson
Deputy County Counsel

Cynthia L. Hasson

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

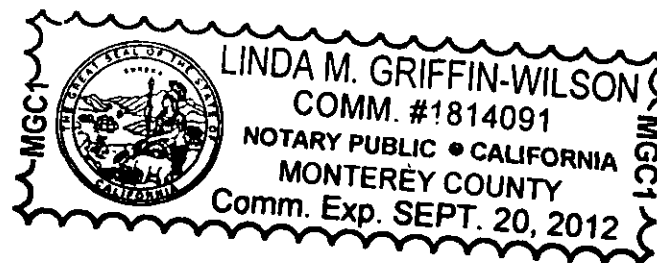
State of California)
) ss.
County of Monterey)

On MAY 17, 2012, before me, Linda M. Griffin-Wilson, a Notary Public, personally appeared Charles T. Chritzberg, Jr., 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 Linda M. Griffin-Wilson



(Seal)

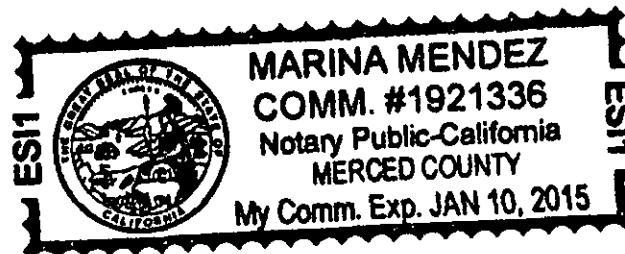
State of California)
) ss.
County of Merced)

On May 17, 2012, before me, Marina Mendez, a Notary Public, personally appeared DENNIS R. WOODS, 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 Marina Mendez



(Seal)

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

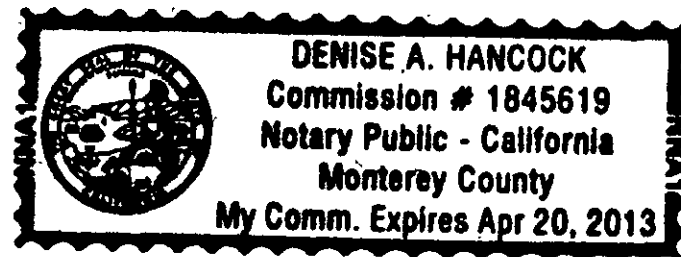
State of California)
County of Monterey) ss.

On May 23, 2012 before me, Denise A. Hancock a Notary Public, personally appeared Dave Potter, 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 Denise A. Hancock



(Seal)

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

68307

REEL 2851 PAGE 689

RECORDED AT REQUEST OF

CHICAGO TITLE

SEP 29 3 54 PM '92

OFFICE OF RECORDER
COUNTY OF MONTEREY
SALINAS, CALIFORNIA

Recording Requested by and
When Recorded Return to:
MONTEREY COUNTY DEPARTMENT
OF PUBLIC WORKS
312 East Alisal Street
Salinas, CA 93901

NO FEE

**SUBORDINATED
DEED OF TRUST**

PAID

NOTICE: This Deed of Trust contains a subordination clause which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument.

This DEED OF TRUST, made this _____ day of _____ between Hanover Monterra Investors II, a California general partnership, whose address is 301 North Canon Drive, Suite 228, Beverly Hills, CA 90210 ("Trustor"), Chicago Title Insurance Company whose address is P.O. Box 931, Salinas, California 93902 ("Trustee"), and the County of Monterey, a political subdivision of the State of California ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property situated in the County of Monterey, California, described in Exhibit "1" for the purpose of securing the performance of that certain unrecorded "Subordination Agreement and Subdivision Improvement Agreement" (herein the "Agreement") executed on _____, 199____, by Trustor and Beneficiary. The Agreement is hereby incorporated by reference.

To Protect the Security of this Deed of Trust, Trustor Agrees:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

2. To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purpose; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, compromise any incumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

3. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

4. That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

The foregoing notwithstanding, this Deed of Trust is subject to partial releases and reconveyances of the security hereunder pursuant to the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any documents necessary to cause the releases and reconveyances required under the Agreement.

5. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Agreement and this Deed (unless directed in such request to retain them).

6. That upon default by Trustor in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record, Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the Recorder of the Monterey County, shall be conclusive proof of estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.


8. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

10. This Deed of Trust is subject to subordination in accordance with the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any document necessary to cause the subordination of this Deed of Trust in accordance with the Agreement.

The undersigned Trustor requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to them in c/o Anthony L. Lombardo at P.O. Box 1818, Salinas, California 93902.

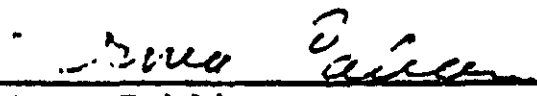
Trustor


Helen Jacobs-Lepor, President,
Mazel Investments, Inc.,
general partner of
Hanover Monterra Investors II,
a California general partnership

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On Sept. 16, 1991, before me, the undersigned a Notary Public in and for said State, personally appeared HELEN JACOBS-LEPOR personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as president of Mazel Investments, Inc., one of the partners of Hanover Monterra Investors II, a general partnership, the partnership that executed the within instrument, and acknowledged to me that she executed the same on behalf of Mazel Investments, Inc., one of the partners of Hanover Monterra Investors II, a general partnership, and that said last named partnership executed the same.

WITNESS my hand and official seal.


Notary Public

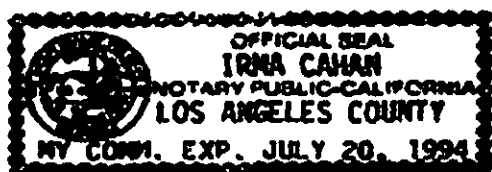


EXHIBIT 1
LEGAL DESCRIPTION
FOR
MONTEERRA RANCH
(UNINCORPORATED TERRITORY ONLY)

REEL 2851 PAGE 693

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, BEING A PORTION OF THE 4102.08 ACRE PARCEL OF LAND DESCRIBED IN THE DEED FROM DAVID JACKS CORPORATION, A DISSOLVED CORPORATION, TO T. A. WORK, DATED APRIL 6, 1933, AND RECORDED MAY 15, 1933, IN BOOK 363 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 185; A PORTION OF THE 150 ACRE PARCEL OF LAND DESCRIBED IN THE DEED FROM MADDUX AIR LINES CO., A CORPORATION, BY RECIEVERS TO T. A. WORK, DATED MARCH 6, 1942, AND RECORDED MARCH 23, 1942, IN BOOK 763 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 33; A PORTION OF THAT CERTAIN 6.387 ACRE PARCEL OF LAND DESCRIBED AS "EXHIBIT C" IN DEED FROM DEL MONTE PROPERTIES COMPANY TO THE COUNTY OF MONTEREY, RECORDED JUNE 30, 1971, IN REEL 711 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 1026; A PORTION OF THE 450.26 ACRE PARCEL OF LAND DESCRIBED IN THE DEED FROM C. A. RYAN TO LOU RAGSDALE RYAN, DATED AND RECORDED JUNE 2, 1927, IN BOOK 112 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 342; AND A PORTION OF THE 1162 ACRE PARCEL OF LAND DESCRIBED IN THE DEED FROM MARIA ANTONIA FIELD TO STEPHEN JOSEPH FIELD, DATED JULY 31, 1929, AND RECORDED SEPTEMBER 29, 1929, IN BOOK 206 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 261; SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS (BASIS OF BEARINGS OF THE COURSES STATED BELOW IS THE CALIFORNIA COORDINATE SYSTEM, ZONE IV; DISTANCES STATED ARE GRID DISTANCES AND BEARINGS SHOWN ARE GRID BEARINGS):

MONTEERRALEGAL PAGE 1

0

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 694

BEGINNING AT A 4" X 4" WOOD POST, SAID POST BEING THE SOUTHWEST CORNER OF SAID 4102.08 ACRE PARCEL OF LAND MENTIONED ABOVE (363-OR-185), SAID POST BEING ALSO THAT FOUND BEVELED-TOP 4" X 4" POST, CHARRED AND ILLEGIBLE, MARKED "A.S., C.S., 29", SAID POST BEING DESCRIBED AS THE TRUE CORNER IN THE RECORD OF SURVEY OF PORTIONS OF AGUAJITO RANCHO, LOS RANCHITOS DE AGUAJITO AND RANCHO SAUCITO, RECORDED AND FILED IN BOOK 10 OF RECORDS OF SURVEY, AT PAGE 29, AT THE REQUEST OF THE COUNTY OF MONTEREY; THENCE FROM SAID POST ALONG THE WESTERLY BOUNDARY OF SAID 4102.08 ACRE PARCEL THE FOLLOWING COURSES:

- 1) NORTH 26°15'58" EAST, 393.24 FEET (N.26°06'32"E., 393.08 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 2) NORTH 26°20'47" EAST, 1016.38 FEET (N.26°11'26"E., 1016.06 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 3) NORTH 26°16'47" EAST, 382.65 FEET (N.26°13'32"E., 382.60 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 4) NORTH 26°20'48" EAST, 575.96 FEET (N.26°13'53"E., 575.63 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 5) NORTH 26°18'04" EAST, 1079.09 FEET (N.26°16'10"E., 1078.90 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 6) NORTH 26°17'07" EAST, 235.43 FEET (N.26°15'45"E., 235.34 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 7) NORTH 26°17'48" EAST, 1072.35 FEET (N.26°19'32"E., 1071.98 FEET PER DEED) TO A 4" X 4" POST; THENCE

MONTEREY LEGAL. PAGE 2

Q

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 695

- 8) NORTH 26°18'10" EAST, 1002.97 FEET (N.26°21'55"E., 1002.86 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 9) NORTH 26°17'30" EAST, 584.89 FEET (N.26°22'00"E., 584.76 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 10) NORTH 26°17'43" EAST, 1838.19 FEET (N.26°23'32"E., 1837.58 FEET PER DEED) TO A 4" X 4" POST; THENCE
- 11) NORTH 26°15'42" EAST, 285.39 FEET (N.26°24'55"E., 287.26 FEET PER DEED) TO A 2" X 2" HUB, SAID HUB BEING ALSO THE SOUTHEASTERLY CORNER OF AFOREMENTIONED 150 ACRE PARCEL OF LAND (763-OR-33); THENCE LEAVING SAID WESTERLY LINE OF SAID 4102.08 ACRE PARCEL AND ALONG THE SOUTHERLY LINE OF SAID 150 ACRE PARCEL
- 12) NORTH 79°37'45" WEST, 3106.10 FEET (N.79°37'49"W., 3106.11 FEET PER DEED) TO THE SOUTHWEST CORNER OF SAID 150 ACRE PARCEL, ALSO BEING ON A LINE PARALLEL WITH AND DISTANT 100.00 FEET SOUTHEASTERLY (MEASURED AT RIGHT ANGLES) FROM THE BOUNDARY LINE DIVIDING RANCHO SAUCITO AND RANCHO AGUAJITO; SAID PARALLEL LINE BEING ALSO THE NORTHWESTERLY LINE OF SAID 150 ACRE PARCEL OF LAND; THENCE ALONG SAID PARALLEL LINE
- 13) NORTH 33°07'50" EAST (N.33°03'08"E. CALCULATED PER DEED), 231.06 FEET TO THE SOUTHWESTERLY CORNER OF THAT 9.061 ACRE PARCEL OF LAND AS DESCRIBED AS PARCEL "A" IN THAT DEED TO MONTEREY CITY SCHOOL DISTRICT RECORDED SEPTEMBER 1, 1965, IN REEL 422, AT PAGE 610, OF OFFICIAL RECORDS OF SAID MONTEREY COUNTY; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL

MONTEREY LEGAL PAGE 3

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 696

- 14) SOUTH 88°08'37" EAST, 870.19 FEET (S.89°53'16"E., 870.00 FEET PER DEED) TO A 3/4" IRON PIPE AT THE SOUTHEASTERLY CORNER OF SAID 9.061 ACRE PARCEL OF LAND; THENCE ALONG THE EASTERLY LINE OF SAID 9.061 ACRE PARCEL OF LAND
- 15) NORTH 1°50'58" EAST, 174.47 FEET (N.0°06'44"E. PER DEED) TO THE SOUTHERLY LINE OF THAT 0.541 OF AN ACRE PARCEL OF LAND DESCRIBED AS "PARCEL II" "NO. 1001-01" IN THAT CERTAIN DEED FROM SAUCITO LAND CO., et al., TO THE COUNTY OF MONTEREY RECORDED SEPTEMBER 8, 1976, IN REEL 1081 OF OFFICIAL RECORDS OF MONTEREY COUNTY AT PAGE 708; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL
- 16) SOUTH 88°10'35" EAST, 61.63 FEET (S.88°11'13"E., 61.43 FEET PER DEED) TO THE BEGINNING OF A TANGENT CURVE IN SAID SOUTHERLY LINE BEING CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 75.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE AND SAID SOUTHERLY LINE
- 17) THROUGH A CENTRAL ANGLE OF 80°37'52" AN ARC LENGTH OF 105.55 FEET TO A POINT OF REVERSE CURVATURE, SAID REVERSING CURVE BEING CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 32.50 FEET, A RADIAL LINE THROUGH SAID POINT HAVING A BEARING OF SOUTH 78°48'27" EAST; THENCE EASTERLY ALONG SAID REVERSING CURVE
- 18) THROUGH A CENTRAL ANGLE OF 170°37'52" AN ARC LENGTH OF 96.79 FEET TO A POINT OF TANGENCY ON THE WESTERLY LINE OF THAT CERTAIN 3.173 ACRE PARCEL OF LAND DESCRIBED AS "PARCEL I", "NO. 1000-01" IN SAID LAST MENTIONED DEED (1081-OR-708); THENCE ALONG SAID WESTERLY LINE

MONTEREY LEGAL PAGE 4

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 697

- 19) SOUTH 1°49'25" WEST, 112.71 FEET (S.1°48'47"W., 113.13 CALCULATED PER DEED) TO THE BEGINNING OF A TANGENT CURVE IN SAID WESTERLY LINE BEING CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 450.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE AND SAID WESTERLY LINE
- 20) THROUGH A CENTRAL ANGLE OF 78°29'49" (78°26'41" PER DEED) AN ARC LENGTH OF 616.51 FEET (616.10 FEET PER DEED) TO A POINT ON THE SOUTHERLY BOUNDARY OF AFORESAID 150 ACRE PARCEL (763-OR-33); THENCE ALONG SAID SOUTHERLY BOUNDARY
- 21) SOUTH 79°37'45" EAST, 131.02 FEET (S.79°38'59"E., 130.89 FEET PER DEED) TO A POINT ON THE EASTERLY BOUNDARY OF SAID 3.173 ACRE PARCEL OF LAND (1081-OR-708), SAID POINT BEING ON A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 510.00 FEET, SAID CURVE ALSO BEING CONCENTRIC WITH AFORESAID CURVE HAVING A RADIUS OF 450.00 FEET, A RADIAL LINE THROUGH SAID POINT HAVING A BEARING OF NORTH 23°38'43" WEST (N.23°41'21"W.PER DEED); THENCE NORTHEASTERLY ALONG SAID CURVE
- 22) THROUGH A CENTRAL ANGLE OF 64°31'52" (64°29'52" PER DEED), AN ARC LENGTH OF 574.40 FEET (574.11 FEET PER DEED); THENCE TANGENT TO SAID CURVE AND ALONG SAID EASTERLY BOUNDARY
- 23) NORTH 1°49'25" EAST (N.1°48'47"E. PER DEED), 205.63 FEET THE INTERSECTION OF SAID EASTERLY BOUNDARY WITH THE SOUTHERLY BOUNDARY OF "PARCEL 1-A" AS SHOWN ON THAT PARCEL MAP RECORDED AND ON FILE IN VOLUME 15 OF PARCEL MAPS, AT PAGE 123, IN THE OFFICE OF THE COUNTY RECORDER OF AFORESAID MONTEREY COUNTY; THENCE ALONG SAID SOUTHERLY BOUNDARY

MONTERRALEGAL PAGE 5

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 698

- 24) SOUTH 88°10'35" EAST (S.88°11'13"E. PER MAP), 1196.35 FEET TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHERLY BOUNDARY
- 25) SOUTH 67°05'22" EAST (S.67°06'00"E. PER MAP), 1823.98 FEET TO THE SOUTHEASTERLY CORNER OF SAID "PARCEL 1-A"; THENCE ALONG THE EASTERLY BOUNDARY OF SAID "PARCEL 1-A" THE FOLLOWING COURSES:
- 26) NORTH 27°22'13" EAST (N.21°27'35"E. PER MAP), 354.70 FEET TO A 3/4" IRON PIPE TAGGED "LS 2689"; THENCE
- 27) NORTH 45°32'33" EAST (N.45°31'55"E. PER MAP), 228.42 FEET TO A 3/4" IRON PIPE TAGGED "LS 2689"; THENCE
- 28) NORTH 27°15'23" EAST (N.27°14'45"E. PER MAP), 383.27 FEET TO A 3/4" IRON PIPE TAGGED "LS 2689"; THENCE
- 29) NORTH 35°57'48" EAST (N.35°57'10"E. PER MAP), 0.47 FEET TO THE CITY LIMIT LINE OF THE CITY OF MONTEREY; THENCE LEAVING SAID EASTERLY BOUNDARY AND ALONG SAID CITY LIMIT LINE
- 30) SOUTH 67°46'44" EAST (S.69°33'13"E. PER ANNEXATION AND S.67°46'32"E. PER MAP), 500.01 FEET TO A 1-1/2" IRON PIPE AT THE NORTHWESTERLY CORNER OF THAT 50 ACRE PARCEL OF LAND AS DESCRIBED IN A DEED FROM SAUCITO LAND CO. TO MONTEREY UNION HIGH SCHOOL DISTRICT, RECORDED IN REEL 418 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 546; THENCE ALONG THE WESTERLY AND SOUTHERLY BOUNDARY OF SAID 50 ACRE PARCEL AND ALONG SAID CITY LIMIT LINE THE FOLLOWING COURSES:

MONTEREY LEGAL PAGE 6

0

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 699

- 31) SOUTH 20°02'11" WEST, 1289.53 FEET (S.18°20'30"W., 1288.86 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE
- 32) SOUTH 14°09'07" WEST (S.12°28'W. PER DEED), 439.94 FEET TO A 1-1/2" IRON PIPE; THENCE
- 33) SOUTH 42°01'24" EAST, 438.74 FEET (S.43°43'10"E., 438.93 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE
- 34) NORTH 33°38'18" EAST, 399.95 FEET (S.31°58'W., 400 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE
- 35) SOUTH 83°32'01" EAST, 299.52 FEET (S.85°15'30"E., 299.27 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE
- 36) NORTH 18°23'58" EAST, 787.23 FEET (N.16°41'50"E., 786.97 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE
- 37) NORTH 76°56'24" EAST, 431.01 FEET (N.74°13'50"E., 430.91 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE
- 38) SOUTH 71°11'03" EAST, 1027.58 FEET (S.72°56'50"E., 1027.62 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE
- 39) NORTH 32°51'43" EAST, 306.18 FEET (N.31°10'10"E., 305.07 FEET PER DEED) TO A 1-1/2" IRON PIPE; THENCE LEAVING THE BOUNDARY OF SAID 50 ACRE PARCEL OF LAND (418-OR-546) AND CONTINUING ALONG SAID CITY LIMIT LINE

MONTERRALEGAL PAGE 7

0

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 700

- 40) NORTH 78°50'46" EAST, 1306.91 FEET TO A POINT ON THE SOUTH-WESTERLY LINE OF MONTEREY-SALINAS HIGHWAY KNOWN AS STATE HIGHWAY NO. 68, SAID LINE ALSO BEING THE GENERAL SOUTHERLY LINE OF THAT STRIP OF LAND 80 FEET IN WIDTH DESCRIBED IN THOSE DEEDS FROM LaSALLE REALTY COMPANY TO THE COUNTY OF MONTEREY, DATED MAY 28, 1929, AND RECORDED FEBRUARY 3, 1930, IN BOOK 226 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 276, FROM T. A. WORK AND MAUD E. WORK TO THE COUNTY OF MONTEREY DATED APRIL 25, 1929, AND RECORDED APRIL 30, 1929, IN BOOK 191 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 64, AND FROM LOU RAGSDALE RYAN AND C. A. RYAN TO THE COUNTY OF MONTEREY DATED DECEMBER 17, 1934, AND RECORDED JANUARY 9, 1935, IN BOOK 419 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 496, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 3039.79 FEET (3039.83 FEET PER DEED) AND BEING SOUTH 60°02'27" WEST (S.59°46'14"W.PER DEED), 80.00 FEET FROM A 4" X 4" POST, A RADIAL LINE THROUGH SAID POINT HAVING A BEARING OF NORTH 59°47'22" EAST (N.59°46'14"E. PER DEED); THENCE ALONG SAID GENERAL SOUTHERLY LINE THE FOLLOWING COURSES:
- 41) SOUTHEASTERLY ALONG SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 14°34'27" (14°34'00" PER DEED) AN ARC LENGTH OF 773.22 FEET (772.84 FEET PER DEED); THENCE TANGENT TO SAID CURVE
- 42) SOUTH 44°47'05" EAST, 944.28 FEET (S.44°47'46"E., 944.47 FEET PER DEED) TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2039.86 FEET (2039.88 FEET PER DEED); THENCE SOUTHEASTERLY ALONG SAID CURVE

MONTEREY LEGAL PAGE 8

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 701

- 43) THROUGH A CENTRAL ANGLE OF $38^{\circ}19'22''$ ($38^{\circ}17'44''$ PER DEED) AN ARC LENGTH OF 1364.38 FEET (1363.42 FEET PER DEED); THENCE TANGENT TO SAID CURVE
- 44) SOUTH $83^{\circ}06'27''$ EAST, 918.69 FEET ($S.83^{\circ}05'30''E.$, 920.36 FEET PER DEED) TO A 4" X 4" POST AND THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 2959.80 FEET (2959.82 FEET PER DEED); THENCE EASTERLY ALONG SAID CURVE
- 45) THROUGH A CENTRAL ANGLE OF $1^{\circ}59'14''$ ($1^{\circ}58'50''$ PER DEED) AN ARC LENGTH OF 102.66 FEET (102.31 FEET PER DEED); THENCE NON-TANGENT TO SAID CURVE
- 46) SOUTH $63^{\circ}10'17''$ EAST ($S.63^{\circ}09'44''E.$ PER DEED), 102.63 FEET; THENCE
- 47) SOUTH $78^{\circ}43'58''$ EAST, 48.84 FEET ($S.78^{\circ}43'26''E.$, 48.83 FEET PER DEED); THENCE
- 48) NORTH $85^{\circ}42'20''$ EAST ($N.85^{\circ}42'52''E.$ PER DEED), 102.63 FEET TO A POINT ON LAST SAID CURVE HAVING A RADIUS OF 2959.80 FEET, A RADIAL LINE THROUGH SAID POINT HAVING A BEARING OF SOUTH $13^{\circ}39'16''$ WEST ($S.13^{\circ}39'48''W.$ PER DEED); THENCE EASTERLY ALONG SAID CURVE
- 49) THROUGH A CENTRAL ANGLE OF $4^{\circ}57'15''$ ($4^{\circ}56'12''$ PER DEED) AN ARC LENGTH OF 255.92 FEET (255.0 FEET PER DEED) TO A 4" X 4" POST; THENCE TANGENT TO SAID CURVE

MONTEREALELEGAL PAGE 9

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 702

- 50) SOUTH 71°23'29" EAST, 710.68 FEET (S.71°24'00"E., 713.10 FEET PER DEED) TO A 4" X 4" POST AT THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 5039.66 FEET (5133.21 FEET PER DEED); THENCE SOUTHEASTERLY ALONG SAID CURVE
- 51) THROUGH A CENTRAL ANGLE OF 3°25'23" (3°24'00" PER DEED) AN ARC LENGTH OF 301.08 FEET (304.61 FEET PER DEED); THENCE TANGENT TO SAID CURVE
- 52) SOUTH 74°48'52" EAST, 130.58 FEET (S.74°48'00"E., 125.53 FEET PER DEED) TO A POINT ON THE LINE BETWEEN THE RANCHO SAUCITO AND THE RANCHO LAGUNA SECA FROM WHICH THE CENTER OF A 4" X 4" POST MARKED "TJF2" LIES SOUTH 74°48'52" EAST, 0.18 FEET, AND SAID POINT BEING NORTH 1°34'37" EAST, 1.05 FEET (N.1°35'39"E., 0.93 FEET PER DEED) FROM AN 8" X 8" POST MARKED "LS 7" (IRON PIPE PER DEED) AT THE SOUTHWEST CORNER OF RANCHO LAGUNA SECA; THENCE CONTINUING
- 53) SOUTH 74°48'52" EAST, 1052.08 FEET (S.74°48'00"E., 1055.93 PER DEED); THENCE
- 54) SOUTH 63°30'16" EAST, 101.98 FEET (S.63°29'24"E., 101.97 FEET PER DEED); THENCE
- 55) SOUTH 86°07'28" EAST, 101.98 FEET (S.86°06'36"E., 101.97 FEET PER DEED); THENCE
- 56) SOUTH 74°48'52" EAST, 1173.97 FEET (S.74°48'00"E., 1169.76 FEET PER DEED); THENCE

MONTEREALLEGAL PAGE 10

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 703

- 57) SOUTH 53°00'47" EAST (S.52°59'55"E. PER DEED), 53.85 FEET;
THENCE
- 58) SOUTH 74°48'52" EAST, 59.35 FEET (S.74°48'00"E., 59.07 FEET
PER DEED) TO THE NORTHEASTERLY CORNER OF PARCEL 2 AS SHOWN ON
AFORESAID MAP RECORDED IN VOLUME 15 OF PARCEL MAPS, AT PAGE
123; THENCE LEAVING THE RIGHT-OF-WAY OF AFORESAID HIGHWAY NO.
68 AND ALONG THE EASTERLY BOUNDARY OF SAID PARCEL 2
- 59) SOUTH 0°00'00" EAST, 6663.52 FEET (6662.86 FEET PER MAP) TO A
POINT ON THE SOUTHERLY LINE OF SAID 4102.08 ACRE PARCEL OF
LAND (363-OR-185), SAID LINE BEING ALSO THE NORTHERLY LINE OF
THE JAMES MEADOWS TRACT, AS PATENTED; SAID POINT BEING NORTH
87°19'25" WEST, 371.71 FEET FROM A SCRIBED STONE MARKING THE
INTERSECTION OF SAID SOUTHERLY LINE OF SAID 4102.08 ACRE
PARCEL WITH THE RANGE LINE BETWEEN R1E AND R2E, MOUNT DIABLO
MERIDIAN; THENCE ALONG SAID SOUTHERLY LINE OF SAID 4102.08
ACRE PARCEL OF LAND THE FOLLOWING COURSES:
- 60) NORTH 87°08'30" WEST, 26.14 FEET (N.87°19'25"W., 26.17 FEET
PER DEED) TO A 4" X 4" POST; THENCE
- 61) NORTH 86°53'24" WEST, 5553.45 FEET (N.86°53'09"W., 5553.57
FEET PER DEED) TO A 4" X 4" POST (5" X 5" POST MARKED "LOT 1"
ON THE WESTERLY FACE AND "LOT 2" ON THE EASTERLY FACE, PER
DEED); THENCE
- 62) NORTH 86°52'47" WEST, 3471.56 FEET (N.86°52'40"W., 3472.11
FEET PER DEED) TO A 4" X 4" POST MARKED "LOT 1" ON THE
SOUTHERLY FACE, "A" ON THE WESTERLY FACE AND "B" ON THE
EASTERLY FACE; THENCE

NONTERRALEGAL PAGE 11

○

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 704

- 63) NORTH 86°53'18" WEST, 3400.99 FEET (N.86°53'00"W., 3400.34 FEET PER DEED) TO A 4" X 4" POST (3" X 3" POST MARKED "JM" ON THE SOUTHERLY FACE AND "DJ" ON THE NORTHERLY FACE, PER DEED); THENCE
- 64) NORTH 86°59'53" WEST, 131.40 FEET (N.86°53'00"W., 130.39 FEET PER DEED) TO A LIVE OAK TREE 3-1/2 FEET IN DIAMETER AT THE COMMON CORNER FOR RANCHOS AGUAJITO AND CAÑADA DE LA SEGUNDA, THE JAMES MEADOWS TRACT, AND FRACTIONAL SECTION 10, T. 15 S., R. 1 E., MOUNT DIABLO MERIDIAN; THENCE ALONG THE LINE COMMON TO SAID RANCHOS AGUAJITO AND CAÑADA DE LA SEGUNDA
- 65) NORTH 72°27'35" WEST, 4150.70 FEET (N.72°28'07"W., 4151.04 FEET PER DEED) TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THAT PARCEL OF LAND GRANTED TO CALIFORNIA-AMERICAN WATER COMPANY IN THAT DEED RECORDED JUNE 16, 1977, AT REEL 1155 OF OFFICIAL RECORDS OF AFORESAID MONTEREY COUNTY, AT PAGE 307, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF COURSE NUMBER "64)" AS DESCRIBED ABOVE WITH THE EASTERLY LINE OF THAT FORTY (40) FOOT WIDE RIGHT-OF-WAY, AS SAID RIGHT-OF-WAY IS SHOWN ON THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY OF PIPELINE RIGHT OF WAY AND RESERVOIR SITE IN RANCHO CAÑADA DE LA SEGUNDA" FILED MARCH 13, 1970, IN VOLUME 9 OF MAPS OF SURVEYS, AT PAGE 83, RECORDS OF MONTEREY COUNTY, AND AS FURTHER DESCRIBED AS PARCEL "A" IN THAT

MONTEREY LEGAL PAGE 12

○

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 705

DEED RECORDED ON JUNE 16, 1977, IN REEL 1155 OF OFFICIAL RECORDS OF SAID MONTEREY COUNTY, AT PAGE 309, AND RE-RECORDED IN REEL 1155 OF SAID OFFICIAL RECORDS, AT PAGE 272: THENCE ALONG THE EASTERLY LINE OF SAID RIGHT-OF-WAY THE FOLLOWING COURSES:

- 1) NORTH 13°57'28" WEST, 87.87 FEET (87.50 FEET PER DEED);
THENCE
- 2) NORTH 5°08'56" EAST, 221.05 FEET; THENCE
- 3) NORTH 12°24'58" EAST, 193.28 FEET; THENCE
- 4) NORTH 6°45'28" WEST, 84.67 FEET; THENCE
- 5) NORTH 0°46'00" WEST, 276.72 FEET; THENCE
- 6) NORTH 24°45'05" WEST, 107.40 FEET; THENCE
- 7) NORTH 2°54'25" WEST, 112.06 FEET; THENCE
- 8) NORTH 3°21'39" EAST, 292.11 FEET; THENCE
- 9) NORTH 12°31'40" WEST, 159.00 FEET TO THE TRUE POINT OF
BEGINNING; THENCE
- 10) NORTH 77°28'20" EAST, 180.00 FEET; THENCE
- 11) NORTH 12°31'40" WEST, 181.50 FEET; THENCE
- 12) SOUTH 77°28'20" WEST, 180.00 FEET; THENCE

MONTEREY LEGAL PAGE 13

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 786

13) SOUTH 12°31'40" EAST, 181.50 FEET TO THE POINT OF BEGINNING.

SAID DESCRIBED LAND CONTAINS AN AREA OF 2827.65 ACRES, MORE OR LESS, NOT INCLUDING THAT PORTION EXCEPTED HEREIN.

ALONG WITH AN EASEMENT FOR PUBLIC UTILITY PURPOSES OVER THAT LAND IN THE CITY OF MONTEREY, COUNTY OF MONTEREY, STATE OF CALIFORNIA, OVER A PORTION OF PARCEL 2 AS SHOWN ON A MAP ON FILE IN VOLUME 15 OF PARCEL MAPS, AT PAGE 123, IN THE OFFICE OF THE COUNTY RECORDER OF SAID MONTEREY COUNTY, SAID EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY OF MONTEREY-SALINAS HIGHWAY (HIGHWAY NO. 68) BEING THE NORTHWESTERLY TERMINUS OF THAT COURSE SHOWN AS SOUTH 30°13'46" EAST, 794.24 FEET ON AFORESAID PARCEL MAP, THE BEARING FOR SAID LINE BEING ROTATED 0°01'08" CLOCKWISE TO SOUTH 30°12'38" EAST FOR THE PURPOSE OF THIS DESCRIPTION; THENCE ALONG SAID RIGHT-OF-WAY

- 1) SOUTH 30°12'38" EAST, 414.28 FEET TO THE TRUE POINT OF BEGINNING; THENCE
- 2) SOUTH 59°47'22" WEST, 43.85 FEET; THENCE
- 3) SOUTH 9°41'16" EAST, 349.61 FEET; THENCE
- 4) NORTH 36°45'46" EAST, 46.10 FEET; THENCE

NONTERRALEGAL PAGE 14

○

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 707

- 5) NORTH 58°24'24" EAST, 38.61 FEET TO A POINT ON A LINE PARALLEL WITH AND 50.00 FEET EASTERLY (MEASURED AT RIGHT ANGLES) FROM AFORESAID COURSE HAVING A BEARING OF SOUTH 9°41'16" EAST; THENCE ALONG SAID PARALLEL LINE
- 6) NORTH 9°41'16" WEST, 259.71 FEET TO A LINE PARALLEL WITH AND 50.00 FEET SOUTHEASTERLY (MEASURED AT RIGHT ANGLES) FROM AFORESAID COURSE HAVING A BEARING OF SOUTH 59°47'22" WEST; THENCE ALONG SAID PARALLEL LINE
- 7) NORTH 59°47'22" EAST, 20.48 FEET TO AFORESAID RIGHT-OF-WAY OF HIGHWAY 68; THENCE ALONG SAID RIGHT-OF-WAY
- 8) NORTH 30°12'38" WEST, 50.00 FEET TO THE TRUE POINT OF BEGINNING.

ALSO ALONG WITH AN EASEMENT FOR PUBLIC UTILITY PURPOSES OVER THAT LAND IN THE CITY OF MONTEREY, COUNTY OF MONTEREY, STATE OF CALIFORNIA, OVER A PORTION OF PARCEL 2 AS SHOWN ON A MAP ON FILE IN VOLUME 15 OF PARCEL MAPS, AT PAGE 123, IN THE OFFICE OF THE COUNTY RECORDER OF SAID MONTEREY COUNTY, SAID EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY OF MONTEREY-SALINAS HIGHWAY (HIGHWAY NO. 68) BEING THE SOUTHEASTERLY TERMINUS OF THAT COURSE SHOWN AS SOUTH 30°13'46" EAST, 794.24 FEET ON AFORESAID PARCEL MAP, THE BEARING FOR SAID LINE BEING ROTATED 0°01'08" CLOCKWISE TO SOUTH 30°12'38" EAST FOR THE PURPOSE OF THIS DESCRIPTION; THENCE ALONG SAID RIGHT-OF-WAY

MONTEREY LEGAL PAGE 15

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 708

- 1) NORTH 30°12'38" WEST, 124.15 FEET TO THE TRUE POINT OF BEGINNING; THENCE
- 2) SOUTH 58°24'24" WEST, 223.58 FEET; THENCE
- 3) SOUTH 36°45'46" WEST, 58.58 FEET TO THE CITY LIMITS OF THE CITY OF MONTEREY AS SHOWN ON AFORESAID PARCEL MAP; THENCE ALONG SAID CITY LIMIT LINE
- 4) SOUTH 78°50'46" WEST, 14.92 FEET TO A POINT ON A LINE PARALLEL WITH AND 10.00 FEET NORTHWESTERLY MEASURED AT RIGHT ANGLES FROM LAST SAID COURSE HAVING A BEARING OF SOUTH 36°45'46" WEST; THENCE ALONG SAID PARALLEL LINE
- 5) NORTH 36°45'46" EAST, 71.57 FEET TO A POINT ON A LINE PARALLEL WITH AND 10.00 FEET NORTHWESTERLY MEASURED AT RIGHT ANGLES FROM AFORESAID COURSE HAVING A BEARING OF SOUTH 58°24'24" WEST; THENCE ALONG SAID PARALLEL LINE
- 6) NORTH 58°24'24" EAST, 225.73 FEET TO AFORESAID RIGHT-OF-WAY OF HIGHWAY 68; THENCE ALONG SAID RIGHT-OF-WAY
- 7) SOUTH 30°12'38" EAST, 10.00 FEET TO THE TRUE POINT OF BEGINNING.

MONTEREY LEGAL, PAGE 16

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 709

ALSO ALONG WITH AN EASEMENT FOR DRAINAGE AND RETENTION BASIN PURPOSES OVER THAT LAND IN THE CITY OF MONTEREY, COUNTY OF MONTEREY, STATE OF CALIFORNIA, OVER A PORTION OF PARCEL 2 AS SHOWN ON A MAP ON FILE IN VOLUME 15 OF PARCEL MAPS, AT PAGE 123, IN THE OFFICE OF THE COUNTY RECORDER OF SAID MONTEREY COUNTY, SAID EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1-1/2" CAPPED IRON PIPE AT THE NORTHWESTERLY CORNER OF THAT LAND DESCRIBED IN THE DEED TO MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT RECORDED IN REEL 422 OF OFFICIAL RECORDS OF SAID MONTEREY COUNTY, AT PAGE 621, AND BEING SHOWN ON AFORE- SAID PARCEL MAP, SAID PIPE BEING AT THE NORTHEASTERLY TERMINUS OF THAT COURSE SHOWN AS NORTH 18°20'30" EAST, 1288.86 FEET ON SAID PARCEL MAP, SAID POINT ALSO BEING AN ANGLE POINT IN THE CITY LIMITS OF SAID CITY OF MONTEREY; THENCE ALONG SAID CITY LIMIT LINE

- 1) NORTH 67°46'44" WEST, 140.01 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID CITY LIMIT LINE
- 2) NORTH 67°46'44" WEST, 250.00 FEET; THENCE LEAVING SAID CITY LIMIT LINE
- 3) NORTH 44°29'04" EAST, 253.50 FEET; THENCE
- 4) NORTH 27°23'49" EAST, 99.50 FEET; THENCE
- 5) NORTH 60°12'56" EAST, 51.00 FEET; THENCE
- 6) SOUTH 40°37'17" EAST, 285.00 FEET; THENCE

MONTEREY LEGAL PAGE 17

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 710

- 7) SOUTH 15°13'56" WEST, 77.50 FEET; THENCE
- 8) SOUTH 64°03'44" WEST, 224.00 FEET TO THE TRUE POINT OF BEGINNING.

ALSO ALONG WITH AN EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITY PURPOSES OVER THAT LAND IN THE CITY OF MONTEREY, COUNTY OF MONTEREY, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 2 AS SHOWN ON A MAP ON FILE IN VOLUME 15 OF PARCEL MAPS, AT PAGE 123, IN THE OFFICE OF THE COUNTY RECORDER OF SAID MONTEREY COUNTY, SAID EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY OF MONTEREY-SALINAS HIGHWAY (HIGHWAY NO. 68) BEING THE NORTHWESTERLY TERMINUS OF THAT COURSE SHOWN AS SOUTH 30°13'46" EAST, 794.24 FEET ON AFORESAID PARCEL MAP, THE BEARING FOR SAID LINE BEING ROTATED 0°01'08" CLOCKWISE TO SOUTH 30°12'38" EAST FOR THE PURPOSE OF THIS DESCRIPTION; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY AND ALONG A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1659.89 FEET,

- 1) THROUGH A CENTRAL ANGLE OF 17°31'05" AN ARC LENGTH OF 507.51 FEET TO THE TRUE POINT OF BEGINNING, A RADIAL LINE THROUGH SAID POINT BEARING NORTH 42°16'17" EAST; THENCE CONTINUING NORTHWESTERLY ALONG SAID RIGHT-OF-WAY AND SAID CURVE
- 2) THROUGH A CENTRAL ANGLE OF 10°44'30" AN ARC LENGTH OF 311.019 FEET; THENCE LEAVING SAID RIGHT-OF-WAY
- 3) SOUTH 40°50'47" WEST, 218.29 FEET; THENCE

MONTEREY LEGAL PAGE 18

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

REEL 2851 PAGE 711

- 4) SOUTH $32^{\circ}45'34''$ EAST, 605.01 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 600.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE
- 5) THROUGH A CENTRAL ANGLE OF $20^{\circ}21'28''$ AN ARC LENGTH OF 213.19 FEET; THENCE TANGENT TO SAID CURVE
- 6) SOUTH $12^{\circ}24'05''$ EAST, 523.29 FEET TO THE CITY LIMITS OF THE CITY OF MONTEREY AS NOW EXISTS; THENCE ALONG SAID CITY LIMIT LINE
- 7) NORTH $78^{\circ}50'46''$ EAST, 170.02 FEET; THENCE LEAVING SAID CITY LIMIT LINE
- 8) NORTH $15^{\circ}08'28''$ WEST, 613.87 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 760.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE
- 9) THROUGH A CENTRAL ANGLE OF $17^{\circ}37'06''$ AN ARC LENGTH OF 233.70 FEET; THENCE TANGENT TO SAID CURVE
- 10) NORTH $32^{\circ}45'34''$ WEST, 275.79 FEET TO A POINT WHICH LIES ON A LINE BEARING SOUTH $40^{\circ}50'47''$ WEST FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE
- 11) NORTH $40^{\circ}50'47''$ EAST, 164.10 FEET TO THE TRUE POINT OF BEGINNING.

MONTEREY LEGAL PAGE 19

O

EXHIBIT 1
LEGAL DESCRIPTION
(CONT.)

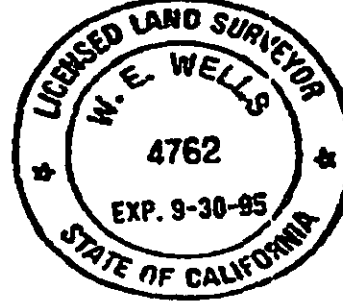
REEL 2851 PAGE 712

TO OBTAIN GROUND DISTANCES MULTIPLY DISTANCES SHOWN HEREIN BY
1.00010062.

PREPARED BY: Wayne E. Wells
WAYNE E. WELLS
L.S. 4762
LICENSE EXPIRES: 9/30/95

July 31, 1992

DATE



DATE: NOVEMBER 12, 1990
REVISED: JULY 31, 1992

END OF DOCUMENT

MONTERRALEGAL PAGE 20

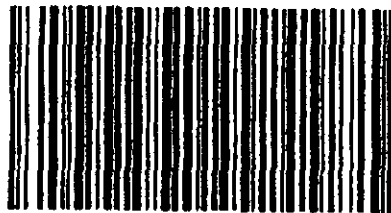
Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Chicago Title

CRLISA
9/14/2005
8:46:45

EXHIBIT

DOCUMENT: **2005095836**

Titles: 1/ Pages: 6



Fees....
Taxes..
Other...
AMT PAID

Recording Requested by
and When Recorded Return to:

MONTEREY COUNTY DEPARTMENT
OF PUBLIC WORKS
312 East Alisal Street
Salinas, CA 93901
Attn: Bryce Hori

SUBORDINATED

DEED OF TRUST

mpf 9/2/05
NOTICE: This Deed of Trust contains a subordination clause, which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument, but in no event lower than second position.

For This DEED OF TRUST, is made between Monterra Ranch Properties, LLC, a California limited liability company ("Trustor"), Chicago Title Insurance Company ("Trustee"), and the County of Monterey, a political subdivision of the State of California ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property situated in the County of Monterey, California, described in Exhibit "1" for the purpose of securing the performance of that certain recorded "Subdivision Improvement Agreement" for Monterra Ranch Phase VIII" (herein the "Agreement") executed *as of the last* ~~on~~ *date opposite the* ~~respective~~ *signatures*, by Trustor and Beneficiary. The Agreement is hereby incorporated by reference. *mpf 9/2/05*

To Protect the Security of this Deed of Trust, Trustor Agrees:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.
2. To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in

A-1

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARDO & GILLES, PLC**

such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purpose; appear in and defend any action or proceeding purporting to affect the security hereof or the rights of powers of Beneficiary or Trustee; pay, purchase, contest, compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

attorneys

Raul
may
9/2/05

3. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

The foregoing notwithstanding, this Deed of Trust is subject to partial releases and reconveyances of the security hereunder pursuant to the terms and conditions of the Agreement. Upon request by Trustor pursuant to the Agreement, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any documents necessary to cause the releases and reconveyances required under the Agreement.

5. That upon written request of Beneficiary or Beneficiary's designee stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Agreement and this Deed (unless directed in such request to retain them).

6. That upon default by Trustor in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record, Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement preceding postponement. Trustee shall deliver to such purchaser its deed

A-2

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARD & GILLES, PLC

Exhibit A

Page 26 of 36 Pages

conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the Recorder of the Monterey County, shall be conclusive proof of estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

10. This Deed of Trust is subject to subordination in accordance with the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary ^{may consider joining} shall join with Trustor, and instruct Trustee to so join, to execute and record any document necessary to cause the subordination of this Deed of Trust in accordance with the Agreement.

but in no event lower than second position, and

Rom
map
9-2-05
Rom
map
9-2-05

Rom
map
9-2-05

A-3

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARD & GILLES, PLC

The undersigned Trustor requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to them in c/o Derinda L. Messenger at Lombardo & Gilles, P.O. Box 2119, Salinas, California 93902.

TRUSTOR:

MONTERRA RANCH PROPERTIES LLC
A California limited liability company

The Roger E. Mills Living Trust
Dated February 12, 1987, Member

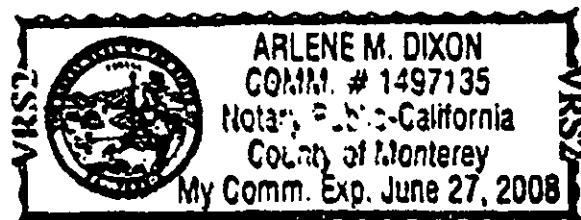
Date: 7-6-05

By: Roger E. Mills
Roger E. Mills, Trustee

STATE OF CALIFORNIA)
)ss.
COUNTY OF MONTEREY)

On July 6, 2005, before me, Arlene M. Dixon Notary Public, personally appeared ROGER E. MILLS, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the with 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.

WITNESS my hand and official seal.



Arlene M. Dixon
Notary Public in and for said
County and State

Accepted by ~~Trustee~~ Beneficiary
COUNTY OF MONTEREY map 9/2/05

Dated: 7 Sep 05

By: Butch Lindley
Butch Lindley, Chair
Monterey County Board of Supervisors

A-4

ATTEST:

Dated: 9/7/05

By: Carrie Willbourn
Lew C. Bauman, ~~Ph.D., P.E.~~ *mgp 9/2/05*
Clerk of the Board of Supervisors, Deputy

APPROVED AS TO FORM:

as revised at pages A-1, A-2, A-3 & A-4 & A-5
Charles J. McKee, County Counsel

Date: 9-2-04

By: Mary Grace Perry

A-5

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARD & GILLES, PLC *mgp*

Exhibit A
Page 29 of 36 Pages

EXHIBIT "1"

All that real property described as Lots 95, 96, 139-143, and 156-171, inclusive, as shown on the map filed for record on 9-14, 2005 in Volume 23, Cities and Towns, at Page 14, in the Office of the Recorder for the County of Monterey, State of California, excepting therefrom any Remainder Parcel.

END OF DOCUMENT

A-6

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARD & GILLES, PLC



EXHIBIT "A"

**Recording Requested by
and When Recorded Return to:**

MONTEREY COUNTY
DEPARTMENT
OF PUBLIC WORKS
168 W. Alisal Street, Second Floor
Salinas, CA 93901
Attn: Bryce Hori

SUBORDINATED

DEED OF TRUST

NOTICE: This Deed of Trust contains a subordination clause, which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument, but in no event lower than second position in accordance with paragraph 10 at page A-3 below.

This DEED OF TRUST, is made between Monterra Ranch Properties, LLC, a California limited liability company ("Trustor"), Chicago Title Insurance Company ("Trustee"), and the County of Monterey, a political subdivision of the State of California ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property situated in the County of Monterey, California, described in Exhibit "1" for the purpose of securing the performance of that certain recorded "Subdivision Improvement Agreement for Monterra Ranch Phase X" (herein the "Agreement") executed as of the last date opposite the respective signatures, by Trustor and Beneficiary. The Agreement is hereby incorporated by reference.

To Protect the Security of this Deed of Trust, Trustor Agrees:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.
2. To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto.

A-1

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARD & GILLES, PLC**

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purpose; appear in and defend any action or proceeding purporting to affect the security hereof or the rights of powers of Beneficiary or Trustee; pay, purchase, contest, compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys fees.

3. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

The foregoing notwithstanding, this Deed of Trust is subject to partial releases and reconveyances of the security hereunder pursuant to the terms and conditions of the Agreement. Upon request by Trustor pursuant to the Agreement, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any documents necessary to cause the releases and reconveyances required under the Agreement.

5. That upon written request of Beneficiary or Beneficiary's designee stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Agreement and this Deed (unless directed in such request to retain them).

6. That upon default by Trustor in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record, Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice

A-2

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARDO & GILLES, PLC**

of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the Recorder of Monterey County, shall be conclusive proof of estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

10. This Deed of Trust is subject to subordination but in no event lower than second position and in accordance with the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary may consider joining with Trustor, and instruct Trustee to so join, to execute and record any document necessary to cause the subordination of this Deed of Trust but in no event lower than second position, and in accordance with the Agreement.

A-3

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARD & GILLES, PLC**

The undersigned Trustor requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to them in c/o Derinda L. Messenger at Lombardo & Gilles, P.O. Box 2119, Salinas, California 93902.

TRUSTOR:

MONTERRA RANCH PROPERTIES LLC,
a California limited liability company

THE ROGER E. MILLS LIVING TRUST

Dated February 12, 1987, Member

Date:

9-20-05

By:

Roger E. Mills
Roger E. Mills, Trustee

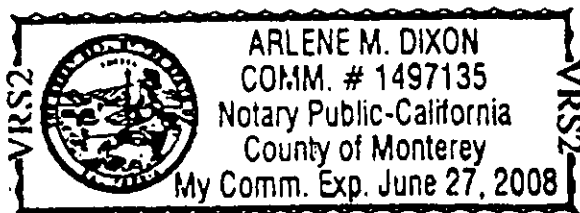
STATE OF CALIFORNIA)

)ss.

COUNTY OF MONTEREY)

On Sept. 20, 2005, before me, Arlene M. Dixon, Notary Public, personally appeared ROGER E. MILLS, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the with 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.

WITNESS my hand and official seal.



Arlene M. Dixon
Notary Public in and for said
County and State

Accepted by Beneficiary

COUNTY OF MONTEREY

Date:

9 Nov 05

By:

Butch Lindley
BUTCH LINDLEY, Chair
Monterey County Board of Supervisors

A-4

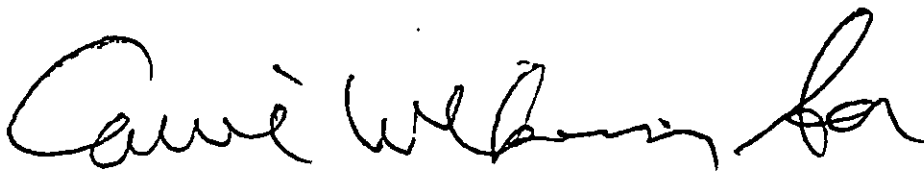
**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARDO & GILLES, PLC**

Exhibit A

Page 34 of 36 Pages

ATTEST:


Date: 11/8/05

By: 
Lew C. Bauman, Clerk of the Board of Supervisors

APPROVED AS TO FORM:

Charles J. McKee, County Counsel
County of Monterey

Date: 10/26/05

By: 
Deputy County Counsel

A-5

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARDO & GILLES, PLC**

EXHIBIT "1"

That certain real property situate in the County of Monterey, State of California, described as all that real property shown on map filed for record on 12-1-05, 2005, in Volume 23 Cities and Towns, at Page 110, in the Office of the Recorder or the County of Monterey, State of California.

END OF DOCUMENT

Exhibit "1"

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES
AND PREPARED BY LOMBARDO & GILLES, PLC**

Exhibit A
Page 36 of 36 Pages

**PROMISSORY NOTE
SECURED BY DEED OF TRUST
YORK HIGHLAND RESUBDIVISION – LOT ____**

\$105,217.55

Carmel Valley, California
May 22, 2012

On or before May 22, 2015, for value received, the undersigned _____ (the "Borrower") promises to pay to Carmel Development Company (the "Holder"), or order, in Carmel Valley, California, or any other place designated in a writing submitted by Holder to Borrower, the principal sum of \$105,217.55 plus interest on the unpaid principal balance according to the terms contained in this Note.

Interest on the principal sum of this Note from time to time outstanding will be computed on the basis of a 365-day year and actual days elapsed from date of disbursement until paid, at the per annum rate of six (6%) percent. Interest only for the quarterly period ending on the last day of the preceding quarter shall be calculated on a daily basis and shall be payable quarterly on the 22nd day of each quarter, with the first payment due on the 22nd day of August, 2012, and continuing until the 22nd day of May, 2015 at which time the then unpaid balance of principal and interest shall all be due and payable.

Should Borrower fail to pay any interest as provided for in this Note, that interest shall thereafter bear like interest as the principal. Interest shall, at the option of Holder, be payable on demand on any principal balance from and after its maturity date. Should Borrower default in the payment of any installment of interest when due, then the whole sum of principal and interest shall, at the option of Holder, become immediately due. Principal and interest are payable in lawful money of the United States.

Borrower expressly agrees that this Note, or any payment under this Note, may be extended from time to time and consents to the acceptance and/or release of further security for this Note, all without in any way affecting the liability of the Borrower. Borrower waives the rights of presentment and notice of dishonor. "Presentment" means the right to require the Holder to demand payment of amounts due. "Notice of dishonor" means the right to require Holder to give notice to other persons that amounts due have not been paid.

This Note may be prepaid at any time, in whole or in part, without any prepayment penalty.

Whether or not suit is filed, Borrower agrees to pay all reasonable attorneys' fees, costs of collection, costs, and expenses incurred by Holder in connection with the enforcement or collection of this Note. Borrower further agrees to pay all costs of suit and the sum adjudged as attorneys' fees in any action to enforce payment of this Note or any part of it.

This note is secured by a First Deed of Trust, dated May 22, 2012, to First American Title Company, as Trustee, executed by Borrower in favor of Holder.

EXHIBIT B
PAGE 1 OF 7 PAGES

By: _____

EXHIBIT B

When recorded mail to:

Title No.
Escrow No.

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
YORK HIGHLANDS RESUBDIVISION-LOT ____**

This DEED OF TRUST, made this _____ day of _____, 2012 between

herein called TRUSTOR

whose address is

FIRST AMERICAN TITLE COMPANY, herein called TRUSTEE, and

CARMEL DEVELOPMENT COMPANY

herein called BENEFICIARY

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale that property in the County of Monterey, State of California, described as follows:

See Attached "Exhibit A" legal description

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

FOR THE PURPOSE OF SECURING (1) payment of the sum of (\$105,217.55 Dollars with interest thereon according to the terms of a promissory note or notes of even date herewith made by TRUSTOR, payable to order of BENEFICIARY, and extensions or renewals thereof; (2) the performance of each agreement of TRUSTOR incorporated by reference or contained herein or reciting it is so secured; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his or her successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

A. To protect the security of this Deed of Trust, and with respect to the property above described, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of the law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby, any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who

may apply or release such moneys received by him or her in the same manner and with the same effect as above provided for disposition or proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his or her right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability or any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his or her own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(9) The Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obliged to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge thereof does not exceed the maximum allowed by laws.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him or her at his or her address hereinbefore set forth.

By:

State of _____

County of _____

On _____ before me, _____, (here
insert name and title of the officer), personally appeared
_____, 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 _____ (Seal)

DO NOT RECORD
REQUEST FOR FULL RECONVEYANCE

To First American Title Company

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidence of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust, Note(s) and Reconveyance to:

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL DOCUMENT TO:

MONTEREY COUNTY PUBLIC WORKS
168 W. Alisal St., 2nd Floor
Salinas CA 93901

Space Above This Line for Recorder's Use Only

File No.: (N/A)

DEED OF FULL RECONVEYANCE

Chicago Title Insurance Company, a Missouri corporation, as, Trustee under that Deed of Trust dated November 9, 2005 executed by Monterra Ranch Properties LLC, A California limited liability company, Trustor and recorded on December 1, 2005, in Document No. 2005127220 of Official Records, in the Office of the County Recorder of Monterey, California, having been requested in writing, by holder of the obligations secured by said Deed of Trust, to the estate granted to Trustee under said Deed of Trust, DOES HEREBY RECONVEY TO THE PERSON OR PERSONS LEGALLY ENTITLED THERETO, WITHOUT WARRANTY, ALL THE ESTATE, TITLE, AND INTEREST acquired by Trustee under said Deed of Trust, in and to the property described as follows:

See Attached "Exhibit A" legal description.

This Reconveyance is made without affecting the personal liability of any person or the corporate liability of any corporation for the payment of the indebtedness mentioned as secured thereby or the unpaid portion thereof, nor shall it affect any rights or obligations of any of the parties of said Deed of Trust.

Dated: _____

Chicago Title Insurance Company, a Missouri Corporation, Trustee

By: _____
Authorized Signer

EXHIBIT C
PAGE 1 OF 9 PAGES

EXHIBIT C

A.P.N.:

Partial Reconveyance - continued

File No.: **N/A**

Date:

STATE OF _____)SS
COUNTY OF _____)

On _____, before me, _____, Notary
Public, personally appeared _____

_____, 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

My Commission Expires: _____

This area for official notarial seal

Notary Name: _____

Notary Phone: _____

Notary Registration Number: _____

County of Principal Place of Business: _____

EXHIBIT C

PAGE 2 OF 9 PAGES

EXHIBIT "A"

All that certain real property situate in the County of Monterey, State of California, described as all that real property shown on map filed for record on December 1, 2005, in Volume 23, Cities and Towns, at Page 16, in the Office of the Recorder for the County of Monterey, State of California.

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL DOCUMENT TO:

MONTEREY COUNTY PUBLIC WORKS
168 W. Alisal St., 2nd Floor
Salinas CA 93901

Space Above This Line for Recorder's Use Only

File No.: (N/A)

PARTIAL RECONVEYANCE

Chicago Title Insurance Company, a Missouri corporation, as, Trustee under that Deed of Trust executed by Hanover Monterra Investors II, a California General partnership, Trustor and recorded on September 29, 1992, in Reel 2851, Page 689 of Official Records, in the Office of the County Recorder of Monterey, California, having been requested in writing, by holder of the obligations secured by said Deed of Trust, to reconvey a portion of the estate granted to Trustee under said Deed of Trust, DOES HEREBY RECONVEY TO THE PERSON OR PERSONS LEGALLY ENTITLED THERETO, WITHOUT WARRANTY, ALL THE ESTATE, TITLE, AND INTEREST acquired by Trustee under said Deed of Trust, in and to the portion of the property described as follows:

See Attached "Exhibit A" legal description.

The remaining property described in said Deed of Trust shall continue to be held by said Trustee under the terms thereof. As provided in said Deed of Trust this Partial Reconveyance is made without affecting the personal liability of any person or the corporate liability of any corporation for the payment of the indebtedness mentioned as secured thereby or the unpaid portion thereof, nor shall it affect any rights or obligations of any of the parties of said Deed of Trust.

Dated: _____

Chicago Title Insurance Company, a Missouri Corporation, Trustee

By: _____
Authorized Signer

EXHIBIT C
PAGE 4 OF 9 PAGES

A.P.N.:

Partial Reconveyance - continued

File No.: **N/A**

Date:

STATE OF _____)SS
COUNTY OF _____)

On _____, before me, _____, Notary
Public, personally appeared _____

_____, 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

My Commission Expires: _____

This area for official notarial seal

Notary Name: _____

Notary Phone: _____

Notary Registration Number: _____

County of Principal Place of Business: _____

EXHIBIT C
PAGE 5 OF 9 PAGES

EXHIBIT "A"

All that certain real property described as Lots 164-171, inclusive, as shown on that map filed for record on September 14, 2005, in Volume 23, Cities and Towns, at Page 14, in the Office of the Recorder for the County of Monterey, State of California; and

All that certain real property situate in the County of Monterey, State of California, described as all that real property shown on map filed for record on December 1, 2005, in Volume 23, Cities and Towns, at Page 16, in the Office of the Recorder for the County of Monterey, State of California.

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL DOCUMENT TO:

MONTEREY COUNTY PUBLIC WORKS
168 W. Alisal St., 2nd Floor
Salinas CA 93901

Space Above This Line for Recorder's Use Only

File No.: (N/A)

PARTIAL RECONVEYANCE

Chicago Title Insurance Company, a Missouri corporation, as, Trustee under that Deed of Trust dated September 7, 2005, executed by Monterra Ranch Properties LLC, A California limited liability company, Trustor and recorded on September 14, 2005, in Document No. 2005095836 of Official Records, in the Office of the County Recorder of Monterey, California, having been requested in writing, by holder of the obligations secured by said Deed of Trust, to reconvey a portion of the estate granted to Trustee under said Deed of Trust, DOES HEREBY RECONVEY TO THE PERSON OR PERSONS LEGALLY ENTITLED THERETO, WITHOUT WARRANTY, ALL THE ESTATE, TITLE, AND INTEREST acquired by Trustee under said Deed of Trust, in and to the portion of the property described as follows:

See Attached "Exhibit A" legal description.

The remaining property described in said Deed of Trust shall continue to be held by said Trustee under the terms thereof. As provided in said Deed of Trust this Partial Reconveyance is made without affecting the personal liability of any person or the corporate liability of any corporation for the payment of the indebtedness mentioned as secured thereby or the unpaid portion thereof, nor shall it affect any rights or obligations of any of the parties of said Deed of Trust.

Dated: _____

Chicago Title Insurance Company, a Missouri Corporation, Trustee

By: _____
Authorized Signer

EXHIBIT C
PAGE 7 OF 9 PAGES

A.P.N.:

Partial Reconveyance - continued

File No.: **N/A**

Date:

STATE OF _____)SS
COUNTY OF _____)

On _____, before me, _____, Notary
Public, personally appeared _____

_____, 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

My Commission Expires: _____

This area for official notarial seal

Notary Name: _____

Notary Phone: _____

Notary Registration Number: _____

County of Principal Place of Business: _____

EXHIBIT

C

PAGE 8 OF 9 PAGES

EXHIBIT "A"

All that certain real property described as Lots, 164-171, inclusive, as shown on that map filed for record on September 14, 2005, in Volume 23, Cities and Towns, at Page14, in the Office of the Recorder for the County of Monterey, State of California.

EXHIBIT C
PAGE 9 OF 9 PAGES

Recording Requested By And
When Recorded Return to:

County of Monterey
Department of Public Works
168 W. Alisal Street, 2nd Floor
Salinas, CA 93901

SUBORDINATED

DEED OF TRUST

NOTICE: This Deed of Trust contains a subordination clause, which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument, but in no event lower than second position in accordance with paragraph 10 below.

This DEED OF TRUST, is made between Monterey County Bank ("Trustor"), First American Title Company ("Trustee"), and the County of Monterey, a political subdivision of the State of California ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property situated in the County of Monterey, California, described in Exhibit "1" for the purpose of securing the performance of that certain recorded "Subdivision Improvement Agreement" for the York Highlands Resubdivision executed as of the last date opposite the respective signatures by Monterey County Bank and the County of Monterey, a political subdivision of the State of California. The Subdivision Improvement Agreement is hereby incorporated by reference.

To Protect the Security of this Deed of Trust, Trustors Agree:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

Exhibit D
Page 1 of 14 Pages

EXHIBIT D

1

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

2. To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys fees.

3. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the marking of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

The foregoing notwithstanding, this Deed of Trust is subject to partial releases and reconveyances of the security hereunder pursuant to the terms and conditions of the Agreement. Upon request by Trustor pursuant to the Agreement, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any documents necessary to cause the releases and reconveyances required under the Agreement.

5. That upon written request of Beneficiary or Beneficiary's designee stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement of Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The grantee in such reconveyance may be described

as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Agreement and this Deed (unless directed in such request to retain them).

6. That upon default by Trustor in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record, Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceedings of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the Recorder of Monterey County, shall be conclusive proof of estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary herein, the book and page where this Deed is recorded and the name and address of the new Trustee.

8. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executors, successors and assigns. The term Beneficiary shall not mean the owners and holder, including pledges, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

10. This Deed of Trust is subject to subordination but in no event lower than second position and in accordance with the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary may consider joining with Trustor, and instruct Trustee to so join, to execute and record any document necessary to cause the subordination of this Deed of Trust but in no event lower than second position, and in accordance with the Agreement.

ATTEST

Date: _____ BY: _____

Gail T. Borkowski, Clerk of the
Board of Supervisors

APPROVED AS TO FORM:

Charles J. McKee, County Counsel
County of Monterey

Date: _____ BY: _____

Deputy county Counsel

Exhibit D
Page 4 of 14 Pages

4

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

The undersigned Trustors request that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to the following: Charles T. Chrietzberg, Jr., President, Monterey County Bank, 601 Munras Avenue, Monterey, CA 93940.

TRUSTOR:

MONTEREY COUNTY BANK

DATE: _____ By: _____

State of California)
County of _____) ss.

On _____, 20____, before me, _____, a Notary Public, personally appeared _____, 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 _____ (Seal)

Accepted by Beneficiary

COUNTY OF MONTEREY

Date: _____

BY: _____

Chair of the Monterey County
Board of Supervisors

Exhibit D
Page 6 of 14 Pages

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL**

100.0050/DOCUMENTS-Subdivision Improvement Agreement York Highlands

EXHIBIT "1"

That certain real property situated in the County of Monterey, State of California, described as Lot 18, Lot 20, Lot 21, and Lot 22 as shown on that map filed for record on May 31, 2012, in Volume 24 Cities and Towns, at Page 34, in the Office of the Recorder of the County of Monterey, State of California. *Track 1513*

Exhibit D
Page 7 of 14 Pages

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

Recording Requested By And
When Recorded Return to:

County of Monterey
Department of Public Works
168 W. Alisal Street, 2nd Floor
Salinas, CA 93901

SUBORDINATED

DEED OF TRUST

NOTICE: This Deed of Trust contains a subordination clause, which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument, but in no event lower than second position in accordance with paragraph 10 below.

This DEED OF TRUST, is made between United Security Bank ("Trustor"), First American Title Company ("Trustee"), and the County of Monterey, a political subdivision of the State of California ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property situated in the County of Monterey, California, described in Exhibit "1" for the purpose of securing the performance of that certain recorded "Subdivision Improvement Agreement" for the York Highlands Resubdivision executed as of the last date opposite the respective signatures by United Security Bank and the County of Monterey, a political subdivision of the State of California. The Subdivision Improvement Agreement is hereby incorporated by reference.

To Protect the Security of this Deed of Trust, Trustors Agree:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

Exhibit D
Page 8 of 14 Pages

1

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

100.050/DOCUMENTS/Subordinated Deed of Trust

2. To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part therefore, which appear to be prior or superior hereto.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys fees.

3. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the marking of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

The foregoing notwithstanding, this Deed of Trust is subject to partial releases and reconveyances of the security hereunder pursuant to the terms and conditions of the Agreement. Upon request by Trustor pursuant to the Agreement, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any documents necessary to cause the releases and reconveyances required under the Agreement.

5. That upon written request of Beneficiary or Beneficiary's designee stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement of Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The grantee in such reconveyance may be described

as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Agreement and this Deed (unless directed in such request to retain them).

6. That upon default by Trustor in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record, Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceedings of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the Recorder of Monterey County, shall be conclusive proof of estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary herein, the book and page where this Deed is recorded and the name and address of the new Trustee.

8. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executors, successors and assigns. The term Beneficiary shall not mean the owners and holder, including pledges, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

10. This Deed of Trust is subject to subordination but in no event lower than second position and in accordance with the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary may consider joining with Trustor, and instruct Trustee to so join, to execute and record any document necessary to cause the subordination of this Deed of Trust but in no event lower than second position, and in accordance with the Agreement.

ATTEST

Date: _____ BY: _____

Gail T. Borkowski, Clerk of the
Board of Supervisors

APPROVED AS TO FORM:

Charles J. McKee, County Counsel
County of Monterey

Date: _____ BY: _____

Deputy county Counsel

Exhibit D
Page 11 of 14 Pages

4

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

The undersigned Trustors request that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to them in c/o Wanger Jones Helsley PC, Attention Timothy Jones Esq., 265 River Park Circle, Suite 310, Fresno, Ca 93720.

TRUSTOR:

UNITED SECURITY BANK

DATE: _____ By: _____

State of California)
County of _____) ss.

On _____, 20____, before me, _____, a Notary Public, personally appeared _____, 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 _____ (Seal)

Accepted by Beneficiary

COUNTY OF MONTEREY

Date: _____

BY: _____

Chair of the Monterey County

Board of Supervisors

Exhibit D
Page 13 of 14 Pages

100.0050/DOCUMENTS-Subordinated Deed of Trust

**THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL**

EXHIBIT "1"

That certain real property situated in the County of Monterey, State of California, described as Lots 1, 2, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 19 as shown on map filed for record on may 31, 2012, in Volume 24 Cities and Towns, at Page 34, in the Office of the Recorder of the County of Monterey, State of California. track 1513

Exhibit D
Page 14 of 14 Pages

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

100.0050/DOCUMENTS-Subordinated Deed of Trust

Recording Requested By And
When Recorded Return to:

County of Monterey
Department of Public Works
168 W. Alisal Street, 2nd Floor
Salinas, CA 93901

FIRST DEED OF TRUST

This DEED OF TRUST, is made between Monterey County Bank ("Trustor"), First American Title Company ("Trustee"), and the County of Monterey, a political subdivision of the State of California ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property situated in the County of Monterey, California, described in Exhibit "1" for the purpose of securing the performance of that certain recorded "Subdivision Improvement Agreement" for the York Highlands Resubdivision executed as of the last date opposite the respective signatures by Monterey County Bank and the County of Monterey, a political subdivision of the State of California. The Subdivision Improvement Agreement is hereby incorporated by reference.

To Protect the Security of this Deed of Trust, Trustors Agree:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

2. To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in

Exhibit E
Page 1 of 7 Pages

1

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

100.050/DOCUMENTS/First Deed of Trust

EXHIBIT E

such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys fees.

3. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the marking of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

The foregoing notwithstanding, this Deed of Trust is subject to partial releases and reconveyances of the security hereunder pursuant to the terms and conditions of the Agreement. Upon request by Trustor pursuant to the Agreement, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any documents necessary to cause the releases and reconveyances required under the Agreement.

5. That upon written request of Beneficiary or Beneficiary's designee stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Agreement and this Deed (unless directed in such request to retain them).

6. That upon default by Trustor in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for

record, Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceedings of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the Recorder of Monterey County, shall be conclusive proof of estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary herein, the book and page where this Deed is recorded and the name and address of the new Trustee.

8. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrator, executors, successors and assigns. The term Beneficiary shall not mean the owners and holder, including pledges, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of

pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

10. This Deed of Trust is not subject to subordination and shall maintain first priority position in accordance with the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary may consider joining with Trustor, and instruct Trustee to so join, to execute and record any document necessary to cause the subordination of this Deed of Trust but in no event lower than second position, and in accordance with the Agreement.

ATTEST

Date: _____ BY: _____

Gail T. Borkowski, Clerk of the
Board of Supervisors

APPROVED AS TO FORM:

Charles J. McKee, County Counsel
County of Monterey

Date: _____ BY: _____

Deputy County Counsel

The undersigned Trustors request that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to the following: Charles T. Chrietzberg, Jr., President, Monterey County Bank, 601 Munras Avenue, Monterey, CA 93940.

TRUSTOR:

MONTEREY COUNTY BANK

DATE: _____ By: _____

State of California)
) ss.
County of _____)

On _____, 20____, before me, _____, a Notary Public, personally appeared _____, 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 _____

(Seal)

Exhibit E
Page 5 of 7 Pages

5

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

100.050/DOCUMENTS/First Deed of Trust

Accepted by Beneficiary

COUNTY OF MONTEREY

Date: _____ BY: _____

Chair of the Monterey County
Board of Supervisors

Exhibit E
Page 6 of 7 Pages

EXHIBIT "1"

That certain real property situated in the County of Monterey, State of California, described as Lot 3, Lot 4 and Lot 5 as shown on map filed for record on May 31, 2012, in Volume 24 Cities and Towns, at Page 34, in the Office of the Recorder of the County of Monterey, State of California. TRAIL 1513

Exhibit E
Page 7 of 7 Pages

100.0050/DOCUMENTS-First Deed of Trust

THIS DOCUMENT WAS NEGOTIATED BY THE PARTIES AND
APPLICANT SUBMITTAL

**NOVATION AGREEMENT REGARDING
SUBDIVISION IMPROVEMENT AGREEMENT
(TRACT [REDACTED] - YORK HIGHLANDS RESUBDIVISION)**

DATE May __, 2012

PARTIES [FILL IN NAME OF ASSIGNING OWNER], a [REDACTED] (“Assignor”), as assignor
[FILL IN NAME OF ASSUMING DEVELOPER], a [REDACTED] (“Developer”), as assignee
[FILL IN NAME OF CONSENTING OWNER {i.e., the owner of the lots not owned by Assignor}], a [REDACTED] (“Consenting Owner”), as consenting party
COUNTY OF MONTEREY, a political subdivision of the State of California (the “County”), as consenting party

RECITALS

A. The parties to this Agreement are parties to the County of Monterey Subdivision Improvement Agreement dated as of [REDACTED] (the “Subdivision Improvement Agreement”), the original of which was recorded on [REDACTED] as Document Number [REDACTED], Official Records of Monterey County, California, and a copy of which is attached as Exhibit “A.”

B. Section 9 of the Subdivision Improvement Agreement provides that each “Owner” may assign its interest in the Subdivision Improvement Agreement to a developer, who will assume the assigning Owner’s obligations pursuant to the Subdivision Improvement Agreement—at which time the assigning Owner will be relieved of such obligations.

C. The parties are executing this Agreement to memorialize such a novation.

ASSIGNMENT

The parties agree as follows:

1. SUBSTITUTION OF DEVELOPER FOR ASSIGNOR

Assignor assigns its right, title, and interest in the Subdivision Improvement Agreement to Developer, and Developer accepts such assignment and assumes all of Assignor’s obligations pursuant to the Subdivision Improvement Agreement. Consenting Owner and the County consent to the foregoing assignment, accept Developer as a party to the Subdivision Improvement Agreement, and release Assignor from all obligations and liabilities pursuant to the Subdivision Improvement Agreement. [NOTE: REVISE FORM AS REQUIRED IF BOTH OWNERS SIMULTANEOUSLY ASSIGN TO A DEVELOPER, IN WHICH CASE BOTH OWNERS WILL BE ASSIGNORS, BUT EACH OWNER WILL STILL RELEASE THE OTHER OWNER]

2. SUCCESSORS AND ASSIGNS

This Agreement is binding upon and shall inure to the benefit of the parties' successors and assigns.

SIGNATURES

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

[NAME OF ASSIGNING OWNER], a

[NAME OF ASSUMING DEVELOPER], a

By: _____

By: _____

Its: _____

Its: _____

"Assignor"

"Developer"

[NAME OF CONSENTING OWNER], a

COUNTY OF MONTEREY, a political subdivision
of the State of California

By: _____

Chair, Board of Supervisors

Its: _____

"Consenting Owner"

ATTEST:

Clerk, Board of Supervisors

APPROVED AS TO FORM:

_____, COUNTY COUNSEL
COUNTY OF MONTEREY

By: _____
Deputy County Counsel

"County"

EXHIBIT "A"

Copy of Subdivision Improvement Agreement follows this cover page

END OF DOCUMENT

This page intentionally left blank

Attachment C

This page intentionally left blank.



P.O. Box 450 Carmel-by-the-Sea CA 93921
7145 Carmel Valley Road Carmel CA 93923
Phone: 831-625-1090 Fax: 831-625-6220
E-mail: michael@carmeldevelopment.com
California State License #484304

April 21, 2020

Carl Holm, Deputy Director of Public Works, Parks & Facilities
Michael Goetz, County Surveyor
County of Monterey
1441 Schilling Place
Salinas, CA 93901

Re: Extension Request for Completion of Subdivision Improvements Under York Highlands
Resubdivision Subdivision Improvement Agreement


Dear Mr. Holm and Mr. Goetz,

This letter serves as a formal request for a 24-month extension of time to complete the construction of subdivision improvements for the York Highlands Re-Subdivision from May 22, 2020 to May 22, 2022.

In 2014, the banks who own the York Highlands properties obtained an initial two-year extension of time, which was needed at that time due to regulatory and agency process delays (Board No. 14-046). In 2016 and 2018, additional two-year extensions were needed due to additional regulatory and agency delays (Board Nos. 16-068 and 18-262). Over fifty (50) percent of the subdivision improvements have been completed, and there is ongoing work at this time. The banks and developer are working through regulatory, agency and other delays to secure the final buy-out and construction for the remaining buildout of York Highlands. There have been considerable delays due to difficulties in separating York Highlands from the Monterra HOA in terms of the ongoing management of the CC&R's that are part of the York Highlands approvals. It is our hope that these matters will be soon resolved, and address some of these delays. Extended rain patterns and other weather conditions also resulted in further delays. Therefore, at this time, the developer and the banks require an additional two-year extension to complete the remaining subdivision improvements for York Highlands.

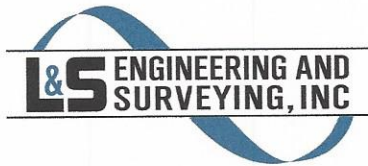
Attached are letters from the project engineer confirming that the cost estimates for the remaining subdivision improvements are still appropriate. Pictures of some of the completed work is also attached, to include finished roads and road walls, which extends from the York Highlands connection at Monterra's phase 6 road (Monterra Ranch Road), where the new road, Encanta, begins, all the way to Encanta's intersection with Tierra Nueva, and to include all of Tierra Nueva. Currently, road work is continuing from the previously completed section of Cresta Madera.

Please find, attached, a proposed amendment to the Subdivision Improvement Agreement. We request that you place this extension request on the next Board agenda for approval. Of course, if you have any questions, please do not hesitate to call me.

Sincerely,

R. Alan Williams

Attachment D

This page intentionally left blank.



April 21, 2020

R. Alan Williams
Carmel Development Company
P.O. Box 450
Carmel, Ca 93921

Re: York Highlands Re-subdivision Engineering Cost Estimate Review

Dear Mr. Williams,

The previously prepared engineering cost estimate for the York Highlands Re-subdivision is within a reasonable construction pricing range. No changes or updates to the estimate are necessary. Please call me if you have any questions.

A handwritten signature in black ink, appearing to read 'Chris Stout', is written over a horizontal line.

Chris Stout
Vice President, L&S Engineering and Surveying

4-21-2020

Date



April 21, 2020
Monterey County Public Works
1441 Schilling Place, North Building
Salinas, Ca 93901
Phone 831-755-4800

Subject: Phase 1 York Highlands Grading Plans GP060305 Closeout Letter.

To whom it may concern,

A Portion (Phase 1) of York Highlands has been constructed. The grading, road paving, retaining walls, drainage, water, sewer, and sewer pump stations has been installed for the Phase 1 portion of the subdivision. In addition, PG&E conduits, vaults, and gas lines have been installed for the Phase 1 portion as well. The improvements noted have been construction staked and installed within substantial conformance with the approved York Highlands Grading Plans.

The Phase 1 portion of the roads and utilities that have been completed are:

Encanta	Sta 0+00 to 44+80.
Cresta Madera	Sta 0+00 to 5+75.
Tierra Nueva	Sta 0+00 to 10+50.

The Phase 1 Lots to be served by the installed improvements are:

Lot 2
Lot 6
Lot 8
Lot 9
Lot 10
Lot 11
Lot 12

If you have further questions regarding the Phase 1 Closeout of York Highlands, please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Christopher Stout', is written over a horizontal line.

Christopher Stout, P.E. 59,685

2460 Garden Road, Suite G Monterey, CA 93940
Phone: (831) 655-2723 Fax: (831) 655-3425 Web: LandSengineers.com E-Mail: office@LandSengineers.com