

Attachment H

This page intentionally left blank.

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

Resolution NO. 24-XXX)
Resolution of the County of Monterey)
Board of Supervisors Authorizing the)
Chair to consent and agree to the First)
Amendment to the Amended and)
Restated First Implementation)
Agreement between the Successor)
Agency to the Redevelopment Agency)
of the County of Monterey and UCP)
East Garrison, LLC amending the)
Disposition and Development)
Agreement and acknowledge that the)
Successor Agency to the Redevelopment)
Agency of the County of Monterey)
is approving a First Amendment to the)
Completion Guaranty provided by Casa)
Acquisition Corp. for the East Garrison)
Phase Three very low and low-income)
rental affordable housing units,)
extending the completion date by four)
years guaranteeing a new completion)
date for Phase Three affordable units by)
no later than March 31, 2030 and)
increasing the surety bond by)
\$2,625,000 for a total amount of)
\$20,125,000.)

The East Garrison Specific Plan Amendment, Combined Development Permit Amendment and Vesting Tentative Map (PLN030204-AMD2) (“Project”) came on for public hearing before the Monterey County Board of Supervisors on June 25, 2024. Approval of the Project requires modifications to the Disposition and Development Agreement to address changes residential product types, timing and financing in addition to changes to the Town Center, the Town Center Park and Public Facilities. Implementation of the Project also requires an amendment to the Completion Guaranty to ensure construction of the Phase Three very low and low income units are constructed in a timely manner. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Board of Supervisors hereby resolves with reference to the following facts:

I. RECITALS:

- A. In June 1997, the Fort Ord Reuse Authority (FORA) adopted the Fort Ord Reuse Plan, which provides a framework for the development and redevelopment of the former Fort Ord.

- B. On February 19, 2002, by Ordinance Number 4136, the County of Monterey adopted the Redevelopment Plan for the Fort Ord Redevelopment Project Area (“Redevelopment Plan”) and Implementation Plan for the portions of the former Fort Ord within the jurisdiction of the County. Pursuant to Health and Safety Code Section 33492.73, FORA held a duly noticed public hearing on May 10, 2002, and found the Redevelopment Plan to be consistent with the Fort Ord Reuse Plan and adopted Resolution 02-4.
- C. On February 4, 2003, the Redevelopment Agency of Monterey County (Agency”) entered into an Option Agreement with East Garrison Partners I, LLC (“Applicant”) giving the Applicant an option to acquire and develop the Property subject to certain conditions, one of which was the execution by the Applicant and the Agency of a Disposition and Development Agreement. The Monterey County Board of Supervisors consented and agreed to the Option Agreement.
- D. Pursuant to Health and Safety Code Section 33430 et seq., the Agency and the Applicant have negotiated a Disposition and Development Agreement (DDA) governing the conveyance from the Agency to East Garrison Partners of the Property. The DDA provides for the conveyance of the Property to the Applicant, minus 23 buildings and the land surrounding them in an historic district on the Property ("Historic District"). The DDA also requires the Applicant to grade and install infrastructure on the Property and to market clusters of lots for the development by vertical developers of market rate and affordable housing. The Historic District will be conveyed to a non-profit entity which will rehabilitate the building with funds provided by the Agency and the Developer. A town center with neighborhood-serving retail and a library will also be built, as will a fire station. The DDA provides for the development of 1400 units and 70 second units, each on the same lot as a single family dwelling. Twenty percent (20%) of the 1400 units will, with tax increment assistance from the Agency, be affordable to low, very low and moderate income persons and families and 10% will be affordable at Workforce II levels.
- E. Pursuant to Health and Safety Code section 33445, the Agency may, with the consent of the County Board of Supervisors, pay for the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned, and accordingly, the Board makes the following findings: 1) the buildings, structures or improvements are of benefit to the Project Area; 2) there is no other reasonable means of financing the construction or rehabilitation of the buildings; and 3) the payment of funds for the construction or rehabilitation of the buildings will assist in the elimination of one or more blighting conditions in the Project Area and is consistent with the Implementation Plan adopted pursuant to Health and Safety Code Section 33490.
- F. The DDA between the Agency and East Garrison Partners calls for the Agency to use tax increment for the purpose of paying for a portion of the cost of the housing for low and very low income persons and families, a portion of the costs of rehabilitating certain buildings in the historic district and a portion of the costs of building a library, sheriff's substation, fire station, and if funds are available, for the cost of a day care center, a sports and recreation center and other facilities.

- G. Pursuant to the California Environmental Quality Act, a Subsequent Environmental Impact Report has been prepared for the project. The Final Environmental Impact Report (Final EIR 04-04) (“FEIR”) prepared for the East Garrison Specific Plan Project included and analyzed the environmental impacts associated with the development of the property, including the Disposition and Development Agreement. The terms of the Disposition and Development Agreement did not affect the physical layout of the development nor change the environmental impacts or mitigation measures identified in the FEIR.
- H. On October 4, 2005, the Board of Supervisors certified a Final Subsequent Environmental Impact Report (FSEIR) (Resolution No. 05-264) and granted development approvals, including a Combined Development Permit for the Project (Resolution No. 05-267), including a Vesting Tentative Subdivision Map and Use Permits for development on slopes in excess of 30 percent and tree removal (“Project Approvals”), subject to conditions of approval (“Conditions of Approval”).
- I. On October 4, 2005, pursuant to Health and Safety Code Section 33421.1, the Board of Supervisors consented to and found and determined that the provisions of on-site and off-site improvements by the Agency pursuant to the Disposition and Development Agreement is necessary to effectuate the purposes of the Redevelopment Plan. By separate resolution, the Board of Directors of the Redevelopment Agency has considered the certified FEIR, adopted findings and a statement of overriding considerations, and approved the Disposition and Development Agreement between the Redevelopment Agency and East Garrison Partners I, LLC.
- J. The Redevelopment Agency of the County of Monterey and East Garrison Partners, I, LLC entered into a Disposition and Development Agreement, together with exclusive negotiation rights to certain property (see Memorandum of Disposition and Development Agreement, recorded on May 16, 2006, Document No. 2006044222).
- K. On June 28, 2011, the Redevelopment Agency of the County of Monterey and UCP East Garrison, LLC¹ entered into a First Implementation Agreement to Disposition and Development. This agreement memorialized UCP East Garrison, LLC’s assumed role as “Developer” under the DDA and is therefore entitled to rights granted and bounded by terms, covenants, conditions and obligations outlined in the DDA.
- L. On August 30, 2016, the Successor Agency² and UCP East Garrison, LLC entered into an Amended and Restated First Implementation Agreement to Disposition and Development Agreement. The intent of this agreement was to obtain authorization from the DOF for the Successor Agency to obtain and expend funds to complete the enforceable obligations as described in the DDA.

¹ UCP East Garrison, LLC purchased the Loan and Loan Documents from the Original Lender on August 7, 2009 subsequent to East Garrison Partners, I, LLC defaulting on its Loan obligations to the Original Lender.

² In accordance with the Redevelopment Agency Dissolution Act, the Redevelopment Agency of the County of Monterey was dissolved and the Successor Agency to the Redevelopment Agency of the County of Monterey (“Successor Agency”) has succeeded to the rights and obligations of the former agency. Under this act, the California State of Finance (“DOF”) has the authority to approve the expenditure of funds by the Successor Agency to complete enforceable obligations.

- M. The DDA recognized that development of the Town Center is an important part of the design of specific plan area and that the market for retail commercial space at East Garrison is uncertain, allowing for a range of allowable square footage with a minimum of 34,000 sf inclusive of a 4,000 sf Library/Sheriff's Substation. The DDA established timing triggers associated with sale of market rate lots in Phase Three by which the Town Center must be constructed. The Project requires changes to the construction timing triggers associated with the Town Center development to tie the triggers to issuance of building permits for Final Phase market rate units, as well as amending the Schedule of Performance for the Final Phase to include a phasing plan that ensures the public amenities and affordable rental housing units are constructed concurrently with the market-rate units. The timing triggers and phasing schedule ensure the public amenities and affordable rental housing units are constructed concurrently with the remaining market-rate units.
- N. On June 25, 2024, the Monterey County Board of Supervisors held a duly noticed public hearing to consider the Project. The Project modifies the Phase Three and Town Center layout to relocate the Phase Three Affordable Rental Housing Project to be stacked on top of the commercial Town Center. Relocating the affordable rental housing to the Town Center helps reduce construction costs by eliminating the need for parking garage and enhancing competitiveness for low-income housing tax credit program funding.
- O. The Project reduces the number of overall residential units by 16 units, reduced the maximum commercial space by 45,000 sf, and includes new residential unit types and sizes. In August 2023, the Developer submitted a Tax Increment Analysis which indicates that the total new incremental ad valorem property tax generated and the amount available (tax increment) to fund the Agency's enforceable obligations generated under the Proposed Project is greater than the tax increment generated by the Previously Approved Project. This increase in property tax generated results in an increase in net revenues to the taxing entities. The increase in tax increment generated reduces the Agency's liabilities by enabling the Agency to retire obligations sooner given the increase in revenues, thereby ensuring consistency with state law related to amending enforceable obligations.
- P. The DDA required the Phase Three Rental Affordable Housing to be comprised of 66 affordable live/work rental units for artists, with not less than 30 very low-income units, up to 36 low-income units, and including 1 non-income restricted on-site employee unit. It also required the developer, with approval of the Agency, enter into an agreement with a nonprofit housing developers. The Original Phase Three Affordable Apartment Developer, Artspace, Inc., has continued to be unable to secure timely financing and the Developer wishes to designate Community Housing Improvement Systems and Planning Association, Inc., ("CHISPA"), who developed the Phase 2 Affordable Rental Apartment Project at East Garrison, as the Phase Three Affordable Apartment Developer. Therefore, applicant has provided a Memorandum of Agreement ("MOA") between UCP East Garrison, LLC and Community Housing Improvement Systems and Planning Association Inc., ("CHISPA") memorializing a change from the original Phase Three rental apartment

project developer, Artspace Projects, Inc, to CHISPA (see **Exhibit 3**). The MOA obligates CHISPA to submit a Phase Three affordable housing implementation plan consistent with the requirements contained in the DDA.

- Q. By accepting the First Amendment to the Completion Guaranty (**Exhibit 2**), the Successor Agency further ensures that the affordable rental units (and Town Center upon which the apartments are stacked) will be completed by or before March 31, 2030.
- R. The Project changes the implementation terms for the Moderate-Income units regarding location and minimum size and Workforce II units regarding implementation procedures ensure the terms or conditions of the DDA are implemented by facilitating and assuring the units are built consistent with the goals and objectives of the development approvals.
- S. In accordance with CEQA Guidelines Section 15164(d), the Board of Supervisors considered Addendum No. 3, together with the East Garrison Specific Plan Final Subsequent EIR (SCH#2003081086) prior to approving the Project. The Addendum analyzed potential environmental impacts associated with implementation and development of the Project. The terms of the Disposition and Development Agreement, as amended in **Exhibit 1**, did not affect the physical layout of the development nor change the environmental impacts or mitigation measures identified in the FEIR.
- T. The Board of Supervisors considered changes to the Specific Plan, as recommended by the Planning Commission, presented to the Board of Supervisors before and during a public hearing June 25, 2024, and the CEQA Findings for approval of the EGSP amendments and Proposed Project.

II. DECISION:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Monterey hereby consents and agrees to the First Amendment to the Amended and Restated First Implementation Agreement between the Successor Agency to the Redevelopment Agency of the County of Monterey and UCP East Garrison, LLC amending the Disposition and Development Agreement; attached hereto as Exhibit 1.

The Board further acknowledges that the Successor Agency to the Redevelopment Agency of the County of Monterey is approving a First Amendment to the Completion Guaranty provided by Casa Acquisition Corp. for the East Garrison Phase Three very low and low-income rental affordable housing units, extending the completion date by four years guaranteeing a new completion date for Phase Three affordable units by no later than March 31, 2030 and increasing the surety bond by \$2,625,000 for a total amount of \$20,125,000; attached hereto as Exhibit 2.

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____, and carried this 25th day of June, 2024, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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:
File Number: PLN030204-AMD2

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

By _____
Deputy

**FIRST AMENDMENT TO
AMENDED AND RESTATED FIRST IMPLEMENTATION AGREEMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS **FIRST AMENDMENT TO AMENDED AND RESTATED** FIRST IMPLEMENTATION AGREEMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (“Amendment”) is made this 26 day of June, 2024, by and between SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY (the “Successor Agency”) and UCP EAST GARRISON, LLC (“UCP EG”). The Successor Agency and UCP EG are each referred to herein as a “Party” and together as the “Parties.” The COUNTY OF MONTEREY (“County”) has consented to this Amendment as set forth in the Consent and Agreement of the County appended hereto following the signature pages.

RECITALS:

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

B. UCP EG and the Agency entered into a First Implementation Agreement to Disposition and Development Agreement (the “Original First Implementation Agreement”), which was approved by the Agency on June 28, 2011. Subsequently, on that same day, AB x 26 (“Dissolution Act”) was enacted, which reduced the authority of redevelopment agencies and, ultimately, dissolved them. Under the Dissolution Act, the Successor Agency to the Redevelopment Agency of the County of Monterey (“Successor Agency”) has succeeded to the rights and obligations of the Agency.

C. Also under the Dissolution Act, the California State Department of Finance (“DOF”) has authority to approve the expenditure of funds by the Successor Agency to complete “enforceable obligations” as that term is defined in the Dissolution Act.

D. UCP EG and the Agency entered into an Amended and Restated First Implementation Agreement, which was approved by the Agency on August 30, 2016 (“First Implementation Agreement”).

E. To date, East Garrison has developed into a thriving community of 1,059 homes inclusive of 130 affordable rental apartments and many improvements for the community’s benefit including an 11,152 square foot (sf) Fire Station inclusive of a community room, approximately 11 acres of parks, and 26 acres of open space and trails.

F. While home sales have remained consistent over the course of East Garrison's build-out since the First Implementation Agreement, primarily because of the strong demand for new housing and lack of supply within the County, significant challenges have hampered the development process to finish the remaining portions of Phase 3 and the Town Center Development at East Garrison (collectively "Final Phase").

G. Among those challenges have been a fundamental market shift downward for office and retail space, cost inflation associated with construction materials, labor cost increases and availability, the Covid-19 pandemic, and prevailing wage rates. In aggregate, these factors, many of which were unpredictable, macroeconomic phenomena that are outside of the control of the County, the affordable housing provider, and UCP EG, have created a very different development environment than that which existed when the Specific Plan was approved over 20 years ago.

H. In order to realize the intent of goals for East Garrison and to ensure its completion, UCP EG has proposed, and the Agency has agreed to amend the First Implementation Agreement and the DDA in order to reflect necessary changes in the plans to develop the Town Center and remaining portions of Phase 3 (the Final Phase) to meet current economic conditions.

I. UCP EG is in the process of obtaining approval from the County to complete the buildout of the East Garrison community by amending the Final Phase to include the construction of a remaining 259 residential and live/work units (of which 33 are moderate income units and 70 are workforce units), 66 affordable rental units, 30,000 square feet of commercial space, 4,000 square foot library and a one-acre Town Square Park. These Final Phase changes include an overall reduction in the total unit count for all phases from 1,400 to 1,384, without reduction in the original affordable housing, Town Center, and park requirements.

J. The DDA has been recognized by the DOF as an "Enforceable Obligation". In order for the Agency and UCP EG to amend the DDA (via the First Implementation Agreement), such amendment must be deemed consistent with the Dissolution Act and Health and Safety Code Section 34181(e), which permits an amendment if it results in an increase in net revenues to the taxing entities, and a reduction in the Agency's tax increment liabilities. To be consistent with state law regarding amendment to enforceable obligations, in June 2024, UCP EG submitted a Tax Increment Analysis which establishes that the total new incremental ad valorem property tax generated and the amount available (tax increment) to fund the Agency's enforceable obligations generated under the new terms set forth in this Amendment is greater than the tax increment generated by the prior approved terms. This increase in property tax generated results in an increase in net revenues to the taxing entities. The increase in tax increment generated also reduces the Agency's liabilities by enabling the Agency to retire obligations sooner given the increase in revenues.

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

1. Original DDA

1.1 Increased Revenue for Taxing Entities/Reduced Successor Agency Liabilities. It is the intent of the parties, based upon the Tax Increment Analysis dated

June 4, 2024, attached hereto as Exhibit A, that this Amendment will result in an increase in net revenues to taxing entities and reduce the Successor Agency's tax increment liabilities as compared to the existing First Implementation Agreement and DDA.

1.2 Revisions to Configuration of Phase 3 and Town Center Development. Due to several changes in the layout of Phase 3 and the Town Center, Attachment 1(B) to the DDA is hereby replaced in its entirety with the map attached hereto as Exhibit B. In order to reflect the updated residential unit amounts and sizes for the Final Phase units, Exhibit 1 to Attachment 9 to the DDA is hereby amended for the remaining Final Phase with the document attached hereto as Exhibit C. The locations of the affordable housing units associated with the Project have also changed as a result of the changes to the Phase 3 and Town Center layout. The locations of those units are as provided in the attached Exhibit D.

1.3 Financial Terms Revised 2nd and Final Reporting Dates. Attachment No. 4 to the DDA ("Financial Terms") at Section 3.g. sets forth 2nd and Final Reporting Dates. These terms are hereby amended as follows: "2nd Reporting Date" shall mean a date that is 180 days after the date of execution of this Amendment; and "Final Reporting Date" shall mean a date that is sixty days after the close of escrow of the 325th housing unit in the Final Phase.

2. Schedule of Performance

2.1 Generally. The Parties recognize that the current Schedule of Performance set forth in the DDA and as amended by the First Implementation Agreement is no longer current or feasible due to changes in market conditions. As a result, the Parties agree to implement the DDA by using the Schedule of Performance attached to this Amendment.

2.2 Attachment No. 5. Attachment No. 5 to the DDA ("Schedule of Performance") as amended by the First Implementation Agreement is hereby amended for the remaining Final Phase with the document with the new Attachment No. 5 attached hereto as Exhibit E and incorporated herein by reference.

2.3 Performance Schedule for Phase 3 and Final Phase. As set forth in the revised Attachment No. 5 (Exhibit E), the Parties agreed to the performance schedules for the Final Phase, based upon current local market conditions. This revised Schedule of Performance does not alter the performance conditions related to the provision of affordable rental housing as set forth in Section B of Attachment No. 3 to the DDA, nor the conditions related to the provision of moderate-income housing set forth in the DDA or Workforce II Housing (Attachment No. 3, §§ A & B; & Attachment No. 9, § 5).

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

3.1 Background and Implementation Effort.

(a) Background. The DDA requires that one hundred and forty (140) units be offered to Workforce II buyers in Phase 3 of the Project. This requirement was originally intended to guard against Workforce II homebuyers from being priced out of purchasing units located in the Project. However, due to declines in the local real estate market, the

Parties agreed that a reasonable estimate for the purchase prices of the majority of the market rate units at the time the First Implementation Agreement was executed were anticipated to be sold at or below "Workforce II" levels. Therefore, the parties agreed through the First Implementation Agreement to implement Section 5 of Attachment No. 9 of the DDA that UCP EG would satisfy all Workforce II Housing obligations imposed upon UCP EG under the DDA with the sale of forty-seven (47) residential units in Phase 1 of the Project as Workforce II units; forty-seven (47) residential units in Phase 2 of the Project as Workforce II units; and forty-six (46) residential units in Phase 3 of the Project as Workforce II units. This agreement was embodied in the Workforce Housing II Agreement referenced in Attachment 3 to the DDA and as amended by subsequent agreement amongst the parties. To date, at total of seventy (70) residential units have been sold as Workforce II units.

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

(i) UCP EG shall satisfy all outstanding Workforce II Housing obligations imposed upon UCP EG under the DDA with the sale (upon the terms and conditions set forth below) of seventy (70) residential units in the Final Phase of the Project as Workforce II units. These units shall be located in the live/work rowhouse units as part of the Final Phase B as depicted in the attached Exhibit D

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

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

(iv) Successor Agency agrees that any equity sharing requirement for Workforce Housing residential units developed and sold in the Final Phase shall only be imposed in the event that there is a differential between fair market value of an equivalent residential unit on the Project of Fifty Thousand Dollars (\$50,000) or Thirty percent (30%), whichever is less. Successor Agency also agrees that the equity share requirement for any given Final Phase Workforce Housing unit shall terminate if UCP EG documents to the Successor Agency that UCP EG is unable to find a willing qualified Workforce II homebuyer after making a good faith effort to sell such unit for a period of 120 days.

4. Town Center (Attachment No. 4, § G(2); Attachment No. 9, § 6). The Parties agree that UCP EG shall implement its obligations for the development of the Town Center under the DDA, including Paragraph G, Section 2 of Attachment No. 4, in the following manner: (i) UCP EG has posted a completion bond with respect to the 30,000 square feet of commercial space associated with the Town Center (this is not inclusive of the 4,000 square foot library); (ii) UCP EG shall commence construction commercial portion of the Town Center prior to the issuance of the building permit for the 40th market rate residential unit in the Final Phase, and shall complete construction of the commercial portion of the Town Center

prior to the issuance of the building permit for the 71st market rate residential unit in the Final Phase.

5. Parks. The Parties agree that UCP EG shall implement Condition of Approval 56 (Recreation Requirements/Land Dedication) of the East Garrison Specific Plan and Vesting Tentative Map for the Final Phase as follows:

(a) “Town Center Park”

The Town Center Park, also referred to as the Town Square, is approximately one acre in size shall include a play structure and be built concurrently with UCP EG’s Town Center Construction Obligation. The Town Square shall be completed prior to the issuance of the building permit for the 71st market rate unit in the Final Phase.

6. Public Facilities. The Parties agree that UCP EG’s obligations under section 8(i) of Attachment 9 of the DDA have been partially satisfied through the construction and funding of the Fire Station. Through April 2024, UCP EG has \$2,315,462.59 remaining of its required “Developer’s Contribution” as it is defined in and escalated according to the terms of the DDA. The parties further agree to amend the payment timing under section 8(i)b for the Library and Sheriff’s Substation Facility such that UCP EG shall pay not less than \$1,000,000 of the remaining Developer’s Contribution no later than 90 days after the date of execution of this Amendment and such amount of the Developer’s Contribution remaining (and as escalated per the terms of the DDA) at the time the Agency and County of Monterey determine it is time to proceed with development but no later than one year from the date of the execution of this Amendment, whichever is earlier.

7. General Provisions

7.1 Notices. All notices required or permitted to be sent to UCP EG under the DDA, Development Agreement, or any documents executed in connection therewith, shall be sent to UCP EG at the following address and in the manner required under the DDA:

To: UCP East Garrison, LLC
6400 Koll Center Drive, Suite 210
Pleasanton, CA 94566
Attention: Daniel Turpin
Phone: (925) 580-7523

With a copy to: Holly Traube Cordova, Esq.
Regional Counsel
7330 N. Palm Avenue, Suite 106
Fresno, CA 93711
Phone: (661) 487-6080

7.2 Effective Date. This Amendment shall be deemed effective as of June 26, 2024 (“Effective Date”), in order that there is no question as to the actions taken between June 26, 2024 and the date this Amendment is approved by DOF, given the Parties’ good faith actions in compliance with the First Implementation Agreement.

7.3 Ratification. The DDA, as implemented hereby, and the First Implementation Agreement are and shall remain in full force and effect in accordance with their terms and are hereby ratified and confirmed in all respects. The execution and delivery of this Amendment shall not operate as a waiver of or an amendment of any right, power or remedy of either Party in effect prior to the date hereof.

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

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

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

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

7.8 Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall compromise but a single instrument.

7.9 Successors and Assigns. The terms and conditions of this Amendment shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

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

[Signature Page Follows]

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

UCP EG:

Date: _____, 2024

UCP EAST GARRISON, LLC,
a Delaware limited liability company

By: UCP, LLC, a Delaware limited liability
company

Its: Sole Member

By: _____
Daniel Turpin, Division Manager

THE SUCCESSOR AGENCY:

Date: _____, 2024

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

Approved as to Form:

By: _____
Mike Whilden, Deputy County
Counsel Attorney for the Successor
Agency of the County of Monterey

By: _____
Glenn Church, Chair
Monterey County Board of Supervisors

CONSENT AND AGREEMENT OF THE COUNTY OF MONTEREY

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

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

*Consented to, approved and accepted
by:*

Date: _____, 2024

THE COUNTY:

THE COUNTY OF MONTEREY

By: _____

Glenn Church, Chair

Monterey County Board of Supervisors

Approved as to Form:

By: _____
Michael Whilden, Deputy County
Counsel Attorney for the County
of Monterey

EXHIBIT A

Tax Increment Analysis

Memorandum

TO: Century Communities

FROM: James Edison, Managing Principal

DATE: June 4, 2024

SUBJECT: East Garrison Town Center Tax Increment Analysis

OVERVIEW

Willdan has been engaged by Century Communities to evaluate the impact on the tax increment generated by East Garrison under current approvals and a proposed modification of the approved plan for the Town Center. On a regular basis the County of Monterey (“County”) has calculated the expected tax increment to be generated at East Garrison to ensure it will be sufficient to meet the requirements of its agreement with the developer (the Disposition and Development Agreement or “DDA”). The developer of East Garrison has proposed an alternative development scenario, and this memo evaluates the amount of tax revenue generated by this alternative. This analysis builds on the County DDA analysis to compare the revenue generated under current entitlements to the revenue generated by the proposed development alternative. The key consideration is whether the revenue generated by the proposed alternative is equal to or greater than the revenue generated under existing entitlements, which will ensure maintenance of sufficient revenue.

The approved East Garrison Specific Plan included 1,400 residential units, plus 70 potential ADUs, much of which has already been constructed, and requires a minimum of 34,000 SF of commercial/retail/civic uses. As indicated in the East Garrison Specific Plan, the Town Center area was purposely designed with a flexible zoning overlay in order to be responsive to market demand and “assimilate changes in response to prevailing market conditions”. A total of 40 residential apartments/condos and 49 live/work type units were also anticipated within the town center.

Additionally, the East Garrison Town Center was originally planned to be a regional destination to be associated with the East Garrison Arts District. The Arts District is planned for up to 70,000 SF of affordable artist spaces within 24 rehabilitated historic buildings, along with 65 affordable newly constructed live/work units. To date, none of the construction within the Arts District has been initiated.

Table 1 details the results of this analysis. As shown in Table 1, the tax increment generated under the proposed development alternative is greater than the tax increment generated by development under existing entitlements. Table 1 calculates two increment amounts, the total new incremental ad valorem property tax revenue generated, and the amount available (increment) to fund County DDA obligations, which is net of set asides and other deductions.

Table 1
Increment Calculator Comparison
East Garrison TI Calculation

Alternative	Buildout Increment (1)	DDA Increment (1)
Existing Entitlement	\$8,178,465	\$4,141,453
Proposed Final Phase	\$8,541,008	\$4,370,580

(1) as of FY 2026-27

Sources: County of Monterey, Willdan

Willdan, 2024

ANALYSIS

Willdan has prepared an estimate of the tax increment generated under a proposed alternative development for the remainder of East Garrison. In connection with a recent audit of the Disposition and Development Agreement (DDA) for East Garrison the County has prepared an estimate of tax increment under current entitlements. Willdan has expanded on this analysis to estimate the increment under the development alternative.

East Garrison consists of single family and multifamily residential units (market rate and affordable) along with parks, open spaces, trails and a yet to be developed Town Center and Arts District. Phases 1 and 2 of the East Garrison Specific Plan have been constructed, and Century Communities is proposing to modify the plan for the Town Center to bolster its long-term viability of the retail component and better support the two affordable housing projects yet to be constructed. Prior to starting the final phase, Century Communities reached out to Willdan to determine the impact of the proposed alternative scenario on the tax increment to be generated by the project.



Table 2, below, details the remaining units left to be constructed under existing entitlements and under the proposed alternative.¹ As shown in Table 2, 16 fewer units are proposed under the alternative as compared to the existing plan.

Table 2
Incremental Development
East Garrison TI Analysis

Remaining Development	Existing Entitlement	Proposed Final Phase
Medium Density Residential	0	0
High Density Residential (condo/apt)	154	0
Liberty Townhomes	35	0
Town Center Lofts	46	0
Live/Work	40	0
Rowhouse/Townhouse MF	0	119
30x55 lots	0	79
30x70 lots	0	61
Total Units	275	259

Source: Urban Design Associates, Century Communities

Willdan, 2024

¹ This does not include low and very low affordable units, which are not expected to pay property taxes and therefore will not contribute tax increment revenue.



Table 3 details the pricing of the proposed units under existing entitlements and the proposed alternative. As shown in Table 3, the proposed alternative is a reduction in the number of units but an increase in the pricing, reflecting a shift to small lot single family homes as the affordable units are moved closer to the Town Center to encourage density and a sense of place. The overall total assessed value is higher, along with the mean unit value.

Table 3
Valuation Calculation
East Garrison TI Analysis

Units	sf/dsc	Valuation (1)	Incremental Additional Units			
			Existing Entitlement		Proposed Final Phase	
High Density Residential (condo/apt)		\$490,530	154	75,541,606		
Liberty Townhomes		\$236,076	35	8,262,660		
Town Center Lofts		\$550,000	46	25,300,000		
Live/Work		\$566,034	40	22,641,355		
Rowhouse/Townhouse MF (2)	1,700	739,990			16	11,839,840
	aff 1330	240,000			33	7,920,000
	wf 1700	430,000			<u>70</u>	<u>30,100,000</u>
Rowhouse/Townhouse MF Total		418,990			119	49,859,840
30x55 lots (3)	2,077	879,952			79	69,516,210
30x70 lots (4)	1,647	852,433			61	51,998,390
Total Units			275	131,745,621	259	171,374,440
Mean Unit Value				\$479,075		\$661,677

(1) Market rate valuation based on Century Communities analysis for proposed final phase and previous analysis for existing entitlement. Affordable valuation based on rough estimates subject to further analysis and underwriting.

(2) Estimated weighted average square feet, with a range of 1,000 to 2,100 square feet.

(3) Estimated weighted average square feet, with a range of 1,200 to 2,300 square feet.

(4) Estimated weighted average square feet, with a range of 1,000 to 2,100 square feet.

Source: Century Communities, County of Monterey, Willdan

Willdan, 2024



As previously noted, the County has prepared a tax increment analysis to estimate the increment that will be generated by East Garrison at buildout. Willdan has used this same analysis, with the units proposed in the proposed scenario, to calculate the projected tax increment.

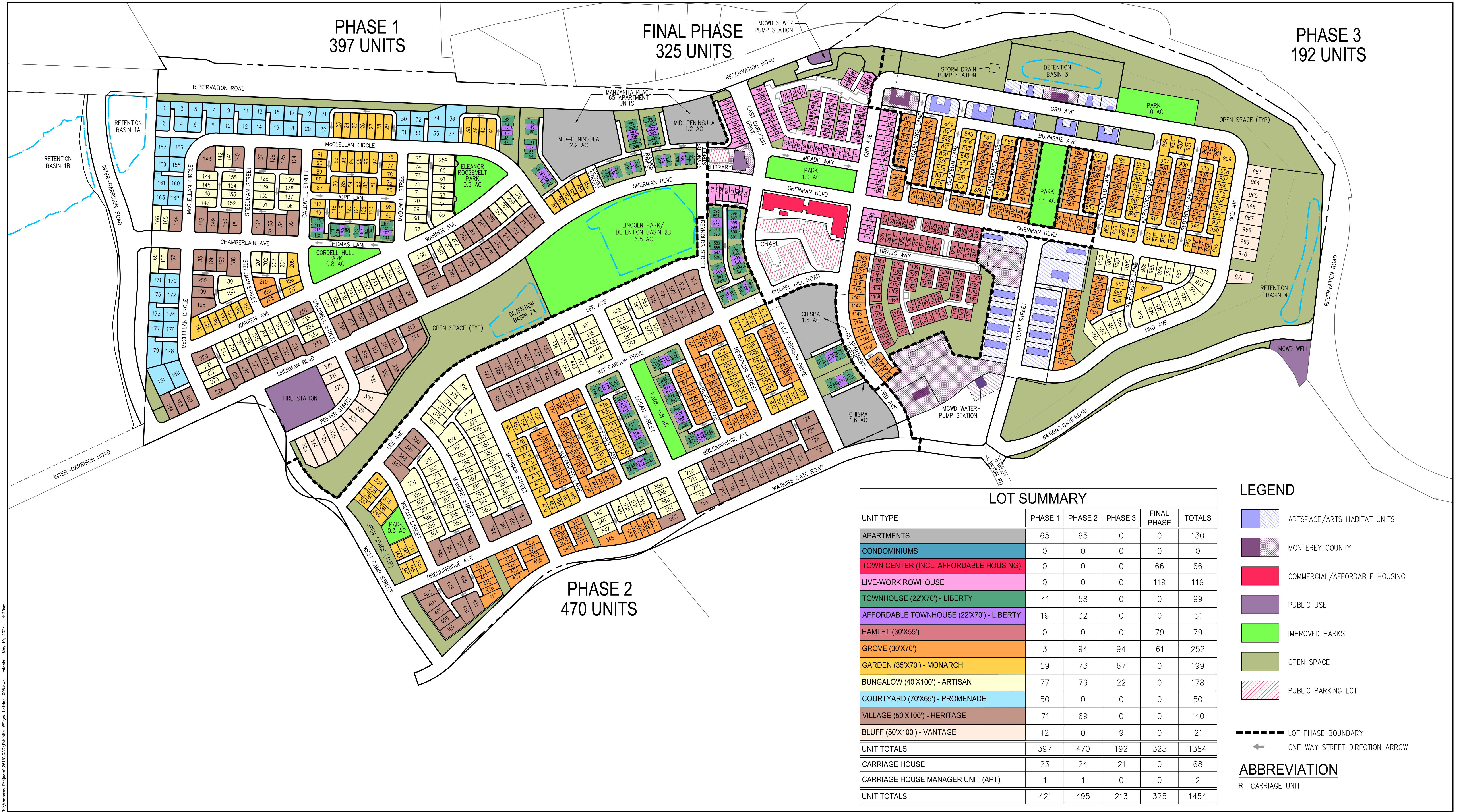
Conclusion

Based on our review and analysis of the current and proposed development scenarios at East Garrison, the tax increment to be generated by the project will be higher under the proposed scenario than under the current entitlements, as summarized in Table 1, above.



EXHIBIT B

ATTACHMENT 1(B) TO DDA MAP



LOT SUMMARY					
UNIT TYPE	PHASE 1	PHASE 2	PHASE 3	FINAL PHASE	TOTALS
APARTMENTS	65	65	0	0	130
CONDOMINIUMS	0	0	0	0	0
TOWN CENTER (INCL. AFFORDABLE HOUSING)	0	0	0	66	66
LIVE-WORK ROWHOUSE	0	0	0	119	119
TOWNHOUSE (22'X70') - LIBERTY	41	58	0	0	99
AFFORDABLE TOWNHOUSE (22'X70') - LIBERTY	19	32	0	0	51
HAMLET (30'X55')	0	0	0	79	79
GROVE (30'X70')	3	94	94	61	252
GARDEN (35'X70') - MONARCH	59	73	67	0	199
BUNGALOW (40'X100') - ARTISAN	77	79	22	0	178
COURTYARD (70'X65') - PROMENADE	50	0	0	0	50
VILLAGE (50'X100') - HERITAGE	71	69	0	0	140
BLUFF (50'X100') - VANTAGE	12	0	9	0	21
UNIT TOTALS	397	470	192	325	1384
CARRIAGE HOUSE	23	24	21	0	68
CARRIAGE HOUSE MANAGER UNIT (APT)	1	1	0	0	2
UNIT TOTALS	421	495	213	325	1454

- LEGEND
- ARTSPACE/ARTS HABITAT UNITS
- MONTEREY COUNTY
- COMMERCIAL/AFFORDABLE HOUSING
- PUBLIC USE
- IMPROVED PARKS
- OPEN SPACE
- PUBLIC PARKING LOT
- LOT PHASE BOUNDARY
- ONE WAY STREET DIRECTION ARROW

ABBREVIATION

R CARRIAGE UNIT

EXHIBIT C

Revised Attachment 9 Exhibit 1 to the DDA Final Phase Minimum/Maximum Size of Product Types

Product	Approved Lot Size SF	Final Phase Lot Size SF	Approved House Min/Max SF	Final Phase House Min/Max/ Avg SF	Total Unit Count	Min/Max # of Units/SF Distribution
Grove (30X70 lot with SFD)	2,100	1,650 to 2,250	1,430 to 1,870	1,200 to 2,300 (1,646 Avg)	61	10 – 1,200sf 10 – 1,400sf 10 – 1,600sf 10 – 1,800sf 10 – 2,000sf 11 – 2,300sf
New Hamlet (30X55 lot with SFD)	N/A	1,650 to 2,200	N/A	1,900 to 2,100 (2,077 Avg)	79	26 – 1,900sf 26 – 2,000sf 27 – 2,100sf
Rowhouses (similar to attached townhomes)	N/A	N/A	1,760 to 2,200	1,000 to 2,100 (1,700 Avg)	119	20 – 1,000sf 20 – 1,400sf 20 – 1,600sf 20 – 1,800sf 20 – 2,000sf 19 – 2,100sf
Total					259	
Notes:						
1. Min/Max Unit SF Range plus/minus 10%						
2. Total Final Phase deed restricted Workforce 2 Income Homes = 70 - 1,700 sf average size						
3. Total Final Phase deed restricted Moderate Income Homes = 33 maximum 16 2-bedroom homes and minimum 17 3- bedroom homes, minimum 1,000 SF in size, and 1,330 sf average size.						
4. Rowhouses are similar product to original Townhomes but smaller in Final Phase						
5. New Hamlet SFD Lots are similar to original Grove Lots, but smaller						

EXHIBIT D

Subphases and Affordable Housing Maps

EXHIBIT E
Attachment No. 5 (Revised)
[First Referenced, Section 202 (1)]

SCHEDULE OF PERFORMANCE
Updated: As of June 25, 2024

Schedule of Performance as originally delineated in the DDA and subsequently modified in the First Implementation Agreement will be modified for the remaining Final Phase as follows:

<i>Final Phase A</i>	Town Center Commercial: <i>Consists of 30,000 sq. ft. commercially zoned space, landscaping, and parking.</i> Timing: <i>Commence construction of the commercial portion of the Town Center prior to the issuance of the 40th market rate residential building permit in the Final Phase 1. Complete construction of the commercial portion of the Town Center prior the issuance of the building permit for the 71st market rate residential unit in the Final Phase.</i>
<i>Final Phase A</i>	Town Center Affordable: <i>Consists of 66 below market rate rental units and 1 managers unit within the Town Center.</i> Timing: <i>March 31, 2030, as required by the First Amendment to Completion Guaranty for Phase Three or as it may be amended in the future.</i>
<i>Final Phase A</i>	Town Square Park: <i>Consists of 1 acre to be constructed as a park.</i> Timing: <i>To be completed prior to issuance of the building permit for the 71st market rate unit in the Final Phase.</i>
<i>Final Phase A</i>	Residential: <i>Consists of 70 SFD between Bragg Way and Ord Ave</i> Timing: <i>First 39 SFDs may be constructed prior to the commencing construction of the commercial portion of the Town Center. The remaining 31 SFDs may be constructed prior to completion of the commercial portion of the Town Center.</i>
<i>Final Phase B</i>	Residential: <i>Consists of 70 SFD homes surrounding the Arts Park and along the north/south sides of Sherman Blvd.</i> Timing: <i>After the completion of the construction of the commercial/affordable building in Town Center and concurrent with Final Phase 2 119 live/work rowhouse units.</i>
<i>Final Phase B</i>	Rowhouses: <i>Consists of the 119 live/work rowhouse units including 33-deed restricted moderate and 70 deed restricted workforce II for sale units.</i> Timing: <i>After the completion of the construction of the commercial/affordable building in Town Center and concurrent with Final Phase 2 70 SFD market rate units.</i>

**FIRST AMENDMENT TO
COMPLETION GUARANTY FOR PHASE THREE**

This FIRST AMENDMENT TO PHASE THREE COMPLETION GUARANTY ("**Amendment**"), dated for reference purposes as _____, 2024 ("**Effective Date**"), is made and entered into by and between CASA ACQUISITION CORP., a Delaware corporation ("**Obligor**"), to the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY ("**Agency**").

RECITALS

A. East Garrison Partners I, LLC, a California limited liability company ("**Original Developer**") entered into that certain Disposition and Development Agreement (Together with Exclusive Negotiation Rights to Certain Property) dated October 4, 2005 ("**DDA**"), between Original Developer and the Redevelopment Agency of the County of Monterey (the "Original Agency"), which was approved by the County of Monterey ("**County**"). Unless otherwise defined in this Amendment, capitalized terms shall have the same meanings as set forth in the DDA.

B. The Agency is the successor-in-interest to the Original Agency.

C. On September 8, 2009, UCP East Garrison, LLC ("**Developer**") acquired fee title to the East Garrison project that was subject to the DDA, and consequently assumed certain rights, interests and requirements under the DDA.

D. Section 108 of the DDA and Attachment No.3 thereto provides for the construction of certain deed-restricted affordable housing units in each of three Phases of the Project. Very low and low income rental inclusionary housing units, which constitute a portion of such deed-restricted affordable housing units, are to be developed and constructed in each Phase by a qualified tax credit entity selected by Developer with the reasonable approval of the Agency ("**Rental Affordable Housing Developer**") pursuant to a Memorandum of Agreement ("MOA") approved by the County, the Agency and Developer and entered into with Developer and assigned to and assumed by the Rental Affordable Housing Developer.

E. The DDA further provides that if, notwithstanding its best efforts, a Rental Affordable Housing Developer does not secure timely financing for, or experiences construction delays or other Enforced Delays in, the construction of any of the very low and/or low income rental inclusionary housing units to be developed in a Phase by such Rental Affordable Housing Developer, or is in default under the terms of the assignment agreement entered into between Developer and such Rental Affordable Housing Developer ("**Assignment**") or is otherwise in default with respect to such very low and/or low income rental inclusionary housing units to be developed by such Rental Affordable Housing Developer such that there could be a withholding of building permits and/or certificates of occupancy for market rate housing units in the Project under Attachment No.3 of the DDA (each a "**Triggering Event**"), Obligor shall have the option, exercisable in its sole discretion, to execute and deliver a Completion Guaranty with respect to such very low and/or low income rental inclusionary housing units in such Phase, and, if Obligor elects to execute and deliver this Phase Three Guaranty, the Agency shall waive, without further condition, compliance with the conditions set forth in Attachment No. 3 to the DDA for the issuance of building permits and certificates of occupancy for market rate units in the Project to the extent such conditions relate to the very low and/or low income rental inclusionary housing units to be developed in Phase Three (collectively, the "**Phase Three Metering Requirements**") and the Agency and the County shall continue to issue building permits and certificates of occupancy for the market rate units in the Project without regard to the Phase Three Metering Requirements.

F. Obligor is a related party to Developer and will receive a direct and substantive benefit from consummation of the provisions of the DDA and from the development and construction of the very low and low-income rental inclusionary housing units in the Project.

G. The Original Developer entered into a Memorandum of Agreement dated January 16, 2007 (the "Phase Three MOA"). Artspace Projects, Inc., a Rental Affordable Housing Developer (the "Original Phase Three Affordable Builder") previously agreed to assume by Assignment the obligations of Developer under the Phase Three MOA, pursuant to which the Original Phase Three Affordable Builder agreed to construct certain very low and/or low income rental inclusionary housing units in Phase Three (the "Phase Three Guaranteed Units").

H. A Triggering Event occurred because notwithstanding its best efforts to do so, the Original Phase Three Affordable Builder was unable to secure timely financing.

I. In consideration of the Agency's waiver of compliance with the Phase Three Metering Requirements as a condition to the continued issuance by the County and the Agency of building permits and certificates of occupancy for the market rate units, Obligor and Agency entered into that certain Completion Guaranty for Phase Three dated June 27, 2019 ("**Guaranty**") whereby Obligor furnished a surety performance bond in the amount of \$17,500,000 as security for the faithful performance of the construction, equipment and completion and payment for the Phase Three Guaranteed Units and all other obligation of Developer under the Phase Three Inclusionary Housing Agreement (Rental Units) (collectively, the "Completion Obligations") by no later than March 31, 2025.

J. The County has adopted an Inclusionary Housing Ordinance, Monterey County Code Chapter 18.40 ("**Chapter 18.40**"). In approving the DDA County found that the provisions of the DDA comply with, and provide more affordable and workforce housing on the East Garrison Project site than is required under Chapter 18.40, with certain modifications approved by the County to be consistent with the requirements of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) ("**CRL**") Such modifications are set forth in Appendix No. 1 to the Inclusionary Housing Agreement entered into by the Redevelopment Agency of the County of Monterey and East Garrison Partners I, LLC, on June 20, 2007. County has delegated to the Agency the authority and responsibility to administer and enforce, in accordance with the terms of the DDA and the County's inclusionary housing requirements contained in Chapter 18.40 of the Administrative Manual adopted pursuant thereto, as modified to be consistent with the requirements of the CRL.

K. The Original Phase Three Affordable Developer, having continued to be unable to secure timely financing, has mutually agreed with Developer that the Original Phase Three Affordable Developer will not develop the Phase Three Guaranteed Units. Developer has undertaken efforts to substitute in another housing developer reasonably satisfactory to the Agency as set forth in the DDA Section 202(22)(j) requirement. Developer and Community Housing Improvement Systems and Planning Association, Inc. (the "**Phase Three Affordable Builder**") are currently negotiating an Agreement for Purchase and Sale of Real Property and Escrow Instructions (the "**Purchase Agreement**"), pursuant to which the Phase Three Affordable Builder will purchase the property and construct the Phase Three Guaranteed Units.

L. Under the Purchase Agreement Developer will have the right to assume control of construction and complete the Phase Three Guaranteed Units if the Phase Three Affordable Builder either (a) fails to timely commence construction of the Phase Three Guaranteed Units, or (b) ceases work on the Phase Three Guaranteed Units for sixty (60) or more continuous days (the "**Step In Right**").

M. Obligor and Agency hereby desire to amend the Guaranty on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Obligor and Agency agree as follows:

1. Completion Date. The Completion Date (as defined in Section 1 of the Guaranty) is hereby extended to March 31, 2030.

2. Bond. The Bond required under Section 1 of the Guaranty is hereby increased to \$20,125,000 (the "New Bond Amount"). Within fifteen (15) days after mutual execution of this Amendment, Obligor will furnish to the Agency either a new bond in the New Bond Amount to replace the current Bond (which new bond will comply with the requirements set forth in Section 1 of the Guaranty), or a rider to the current Bond that increases it to the New Bond Amount.

3. General. Except as expressly amended or modified by this Amendment, all of the terms and conditions of the Guaranty shall remain unchanged and in full force and effect. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one agreement.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

CASA ACQUISITION CORP., a Delaware Corporation

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY

By: _____
Scott Dixon, Interim CFO

By: _____
Glenn Church, Chair
Monterey County Board of Supervisors

Date: _____

Date: _____

Approved as to Form and Legality

By: _____
Michael Whilden, Deputy County Counsel
Attorney for the Successor Agency to the
Redevelopment Agency of the County of Monterey

Date: _____

The County of Monterey hereby acknowledges this Completion Guaranty.

COUNTY OF MONTEREY

By: _____
Glenn Church, Chair
Monterey County Board of Supervisors

Date: _____

Approved as to Form and Legality

By: _____
Michael Whilden, Deputy County Counsel
Attorney for the County of Monterey

Date: _____

**MEMORANDUM OF AGREEMENT BETWEEN
UCP EAST GARRISON, LLC AND
COMMUNITY HOUSING IMPROVEMENT SYSTEMS AND PLANNING
ASSOCIATION, INC. FOR THE PHASE THREE RENTAL AFFORDABLE HOUSING
DEVELOPMENT
AT EAST GARRISON, COUNTY OF MONTEREY, CA**

This Memorandum of Agreement (this "MOA") is entered into as of _____, 2024, by and between UCP EAST GARRISON, LLC, a Delaware limited liability company ("Developer" under the DDA) and Community Housing Improvement Systems and Planning Association, Inc., a California nonprofit public benefit corporation ("CHISPA").

Background

A. **DDA; Site.** East Garrison Partners, LLC ("EGP") and the Redevelopment Agency of the County of Monterey with the approval and agreement of the County of Monterey ("County") entered into a Disposition and Development Agreement dated as of October 4, 2005 (the "DDA"). A Memorandum of the DDA was recorded in the Official Records of the County Recorder on May 16, 2006 as Document No. 2006044222. The DDA provides, among other things, for the construction and rental of affordable housing (the "Rental Affordable Housing"), in three phases, on a portion of the real property located on the former Fort Ord Army Base within the unincorporated area of the County, commonly referred to as the East Garrison area (the "Site"). The overall development of the Site may be referred to as the "East Garrison Project". Those portions of the Site designated for the development of the Rental Affordable Housing may be referred to as the "Rental Affordable Housing Parcel". Capitalized terms used in this MOA shall have the same meaning as set forth in the DDA, unless otherwise defined in this MOA.

B. **Successor to EGP.** On September 8, 2009, Developer acquired fee title to the East Garrison project that was subject to the DDA, and consequently, as successor-in-interest to EGP, assumed certain rights, interests and requirements under the DDA.

C. **Successor Agency.** The Redevelopment Agency of the County of Monterey has been succeeded by the Successor Agency to the Redevelopment Agency of the County of Monterey (the "Agency").

D. **Redevelopment Plan; Specific Plan.** The Site is subject to the Redevelopment Plan for the Fort Ord Redevelopment Project Area ("Redevelopment Plan") adopted by the County of Monterey ("County") pursuant to the California Community Redevelopment Law. Development of the Site is also governed by the East Garrison Specific Plan ("Specific Plan") and Tentative Map ("Tentative Map"), and other entitlements and actions approved by the County and referenced in Recital F of this MOA.

E. **Affordable Housing Requirements Generally.** Attachment No. 3 and Section 4 of Attachment No. 9 of the DDA provide, in relevant part, that in the East Garrison Project: (a) six percent (6%) of the total of the 1,400 permitted residential units (exclusive of accessory or carriage units) developed in the East Garrison Project must be affordable to and occupied by Very Low Income Households ("Very Low Income Units"); (b) eight percent (8%) must be affordable to and occupied by Low Income Households ("Low Income Units"); and (c) six percent (6%) must be affordable to and occupied by Moderate Income Households ("Moderate Income Units"). The East Garrison Specific

Plan and the DDA provide that the Very Low Income and Low-Income Units in each phase shall be affordable rental units developed by one or more qualified tax credit entities (each a "Rental Affordable Housing Developer") selected by the Developer, subject to the reasonable approval of the Agency.

F. Phase Three Rental Affordable Housing. Pursuant to the DDA, the Rental Affordable Housing in Phase Three of the East Garrison Project ("Phase Three") is to be comprised of 66 affordable live/work rental units for artists, with not less than 30 very low-income units, up to 36 low-income units, and including 1 non-income restricted on-site employee unit, (collectively, the "Phase Three Rental Affordable Housing").

G. Memorandum of Agreement with Rental Affordable Housing Developers. Section 202 (22) (j) of the DDA provides that prior to and as a condition of close of escrow for the sale of the Site to the Developer, the Developer shall submit to the Agency for its approval preliminary agreements with nonprofit housing developers (which agreements shall include requirements for submission of financing and satisfaction of other conditions) with specified nonprofit housing developers or other nonprofit housing developers reasonably satisfactory to the Agency for the construction of each phase of the Rental Affordable Housing (each, a "Rental Affordable Housing Developer"). CHISPA is one of the specified nonprofit housing developers approved by the Agency under that section of the DDA.

H. Development Approvals. In connection with the actions contemplated in the DDA; the County has approved, for the development of the Site:

1. Certification of a Final Subsequent Environmental Impact Report ("FSEIR"), including project-specific mitigation measures and a Statement of Overriding Considerations, adopted by the County Board of Supervisors (Resolution No. 05-264, adopted on October 4, 2005).
2. Mitigation Monitoring and Reporting Plan ("MMRP") adopted by the County Board of Supervisors (Resolution No. 05-265, adopted on October 4, 2005).
3. The East Garrison Specific Plan ("Specific Plan") approved by the County Board of Supervisors (Resolution No. 05-266, adopted on October 4, 2005).
4. General Plan text amendments approved by the County Board of Supervisors (Resolution No. 05-265 adopted on October 4, 2005).
5. Zoning Ordinance text and map amendments adopted by the County Board of Supervisors (Ordinance No. 05000 adopted on October 4, 2005).
6. Combined Development Permit, including Conditions of Approval, comprising a standard subdivision (Vesting Tentative Map) to create parcels for up to 1400 dwelling units (plus up to 70 secondary ("carriage") accessory building spaces, each on the same lot as a residential unit), commercial uses, and public uses, use permit for tree removal, general development plan, use permit to allow development on slopes over thirty percent (30%), and Design Approval including approval of a Pattern Book, approved by County Board of Supervisors (Resolution No. 05-267, adopted on October 4, 2005).
7. Allocation by the County Board of Supervisors of 470 acre-feet annually of potable

water (from the Fort Ord Reuse Authority (FORA) allocation of water to the County) to serve the Project (Resolution No. 05-268, adopted on October 4, 2005).

8. The Development Agreement (the "Development Agreement"), approved by the County Board of Supervisors (Ordinance No. 05001, adopted on October 4, 2005,) and subsequently amended (Ordinance No. 5333, adopted on June 16, 2020) (the "Enacting Ordinance").

9. All such documents, each as may be amended from time to time, together with the Subsequent Development Approvals and Vested Elements, each as defined in the Development Agreement, collectively are referred to herein as the "Development Approvals."

I. Agency Administration of Inclusionary Housing Requirements. In approving the Development Approvals for the East Garrison Project the County found and determined that the DDA, entered into by the Agency (and approved by the County) pursuant to the provisions of the Community Redevelopment Law (Health and Safety Code sections 33000 et seq.), contains detailed requirements and schedules of phasing for the provision of inclusionary housing which comply with, and provide for more affordable housing than is required under, the County's Inclusionary Housing Ordinance (codified at Chapter 18.40 of the Monterey County Code), with certain modifications approved by the County to the Ordinance to be consistent with the requirements of the Community Redevelopment Law and the type of financing which will be sought to develop the affordable housing units. County housing policies permit the County to designate another public agency to perform and administer the County's inclusionary housing requirements. In approving this Agreement, the County has delegated to the Agency the authority and responsibility to administer and enforce, in accordance with the terms of the DDA, the County's Inclusionary Housing Ordinance and County housing policies adopted pursuant thereto, as modified to be consistent with the requirements of the Community Redevelopment Law and the type of financing which will be sought to develop the Rental Affordable Housing.

J. Original Phase Three Rental Apartment Project Developer. January 16, 2007, Developer entered into a Memorandum of Agreement with Artspace Projects, Inc. ("Artspace"), one of the specified nonprofit housing developers approved by the Agency under the DDA, designating Artspace as the Phase Three Rental Affordable Housing Developer.

K. Revised Phase Three Entitlements. The Developer has determined that it is infeasible to develop Phase Three as approved. Consequently, the Developer has submitted an application to amend the Development Approvals (collectively, the "Revised Phase Three Entitlements", PLN030204-AMD2). Among other things the Revised Phase Three Entitlements includes changes to the Phase Three Rental Affordable Housing. In particular, subject to the County's and Agency's approval, rather than the Phase Three Rental Affordable Housing being a stand-alone apartment complex, it is now proposed to be developed on the portion of the Phase Three land more particularly described on **Exhibit A** attached hereto (the "Phase Three Project"), as follows:

1. The Phase Three Project is to be developed as a mixed-use condominium development and an associated parking lot and common areas.

2. The ground floor of the Buildings are to be comprised of non-residential condominium units, and designated for non-residential use as part of the “Town Center” plans for the Final Phase and owned by Developer or its successors and assigns (such condominium units, together with a pro rata percentage of undivided interest in all related common elements, is hereinafter referred to as the “Ground Floor”).

3. All floors above the Ground Floor within the Buildings are to be residential units, to be owned and operated by the Phase Three Affordable Apartment Developer and operated as the Phase Three Rental Affordable Housing 66 residential rental units that are affordable to Very Low- and Low-Income Households as required under Attachment No. 3 and Section 4 of Attachment No. 9 of the DDA. Therefore, the “Phase Three Rental Affordable Housing Parcel” will include such condominium unit, together with a pro rata percentage of undivided interest in all related common elements.

4. The parking lot is to be designated as a common element for the Buildings and will have some parking spaces designated for exclusive use for the residents of the Phase Three Rental Affordable Housing, and other parking spaces designated for the owners, tenants and invitees of the Ground Floor.

5. The Phase Three Affordable Developer and Developer will cooperate and coordinate with each other on the Phase Three Project, but Developer is ultimately responsible, at Developer’s cost, of ensuring that the Town Center is completed in accordance with the Revised Phase Three Entitlements.

L. New Phase Three Affordable Apartment Developer. Developer, Artspace, and Agency entered into a letter agreement dated February 6, 2024, mutually agreeing that Artspace will not be the Phase Three Rental Affordable Housing Developer. Developer wishes designate CHISPA as the Phase Three Affordable Apartment Developer.

M. Purpose of MOA. This MOA is intended to (1) satisfy the requirements of Section 202 (22) G) of the DDA by designating and obtaining approval of CHISPA as the Rental Affordable Housing Developer for the Phase Three Rental Affordable Housing, (2) set forth the obligations of the parties prior to entering into a Purchase Agreement (defined in Section 3 below) and Assignment and Assumption Agreement (defined in Section 3 below) with respect to the development of the Phase Three Affordable Housing, and (3) provide for the development of the basic business terms that will be elaborated in the Rental Affordable Housing Financing and Budget referenced in the Purchase Agreement.

AGREEMENTS

1. Designation of Affordable Housing Developer. Pursuant to Section 4 of Attachment No. 9 of the DDA, Developer hereby designates CHISPA as the Phase Three Rental Affordable Housing Developer for all of the Phase Three Rental Affordable Housing, subject to the approval of the Agency and compliance with the terms and conditions of this MOA. By its execution of the "Approval by Agency", attached hereto, Agency has approved the designation of CHISPA as the Phase Three Rental Affordable Housing Developer for all of the Phase Three Rental Affordable Housing.

2. Phase Three Rental Affordable Housing. The Phase Three Rental Affordable Housing shall be developed by CHISPA within the time and manner set forth in the Purchase Agreement and the Assignment and Assumption Agreement (each as defined in Section 3 below) on the Phase Three Rental Affordable Housing Parcel. Subject to the terms of this MOA, Developer will convey the Phase Three Rental Affordable Housing Parcel to CHISPA or its tax credit entity by quitclaim deed consistent with the terms of the DDA and the quitclaim deed from the Agency to Developer (such quitclaim deed from Developer to CHISPA or its tax credit entity is referred to herein as the "Quitclaim Deed").

3. Purchase Agreement. Upon the satisfaction of the conditions set forth in this MOA, Developer and CHISPA intend to enter into an Agreement for Purchase and Sale of Real Property and Escrow Instructions substantially in the form attached as Exhibit C hereto (the "Purchase Agreement"), pursuant to which Developer and CHISPA, subject to approval of the Agency, will enter into an Assignment and Assumption Agreement substantially in the form attached as Exhibit E to the Purchase Agreement (the "Assignment and Assumption Agreement") to assign to CHISPA, and pursuant to which CHISPA will assume, certain of Developer's rights and obligations under the DDA to develop the Phase Three Rental Affordable Housing, all as more particularly set forth in the Assignment and Assumption Agreement. Pursuant to the Purchase Agreement, CHISPA or its tax credit entity will acquire from Developer the Phase Three Rental Affordable Housing Parcel and develop the Phase Three Rental Affordable Housing. Notwithstanding the foregoing, Developer recognizes that with respect to the Phase Three Rental Affordable Housing, CHISPA must demonstrate in its applications for tax credits and financing that it has the legal right to acquire the Phase Three Rental Affordable Housing Parcel and construct the Phase Three Rental Affordable Housing on a timely basis to comply with its application and the conditions of financing. Therefore, by its approval of this MOA the Agency agrees to provide Developer and CHISPA with such representations and assurances as Developer and CHISPA shall reasonably require in connection with applications for financing of the Phase Three Rental Affordable Housing to the effect that: (1) CHISPA is the approved Phase Three Rental Affordable Housing Developer, and (2) CHISPA has the right, legally enforceable against Developer and the Agency, to acquire the Phase Three Rental Affordable Housing Parcel and develop the Phase Three Rental Affordable Housing consistent with the terms of the DDA as incorporated in the Assignment and Assumption Agreement. In furtherance of the foregoing sentence, not later than thirty (30) days prior to CHISPA's anticipated date for submission of an application for tax credits and/or other financing, Developer and CHISPA shall complete, and Developer, CHISPA, the Agency and the County shall execute in final form approved by the Agency and County, the Assignment and Assumption Agreement, to be effective upon its recordation prior to the conveyance of the Phase Three Rental Affordable Housing Parcel to CHISPA or its-designated tax credit entity.

4. Schedule. Not later than 180 days from the date of this MOA, Developer and CHISPA shall designate assigned times for performance of the responsibilities and goals set forth in this MOA,

and such times shall be set forth in a Schedule of Performance, which shall be attached hereto as Exhibit 3 ("MOA Schedule of Performance"). The MOA Schedule of Performance shall require that the construction of all Phase Three Rental Affordable Housing obligations as set forth in this MOA be fully completed (as evidenced by certificate of occupancy) no later than December 31, 2030.

5. Inclusionary Housing Agreement. Section 4 of Attachment No. 9 to the DDA provides, in part as relevant to the Rental Affordable Housing, as follows:

"The Developer shall enter into an Inclusionary Housing Agreement with the County, in a form acceptable to the County, Agency, and Developer, prior to the recordation of the first final map for the project. A minimum of 20% of all residential units constructed in each phase of the Project must be affordable to persons and families of very low, low and moderate income levels, as follows: 6% for very low, 8% for low and 6% for moderate income, all subject to appropriate deed restrictions to assure their continued affordability in accordance with the requirements of the CRL, the Inclusionary Housing Agreement, the County's Inclusionary Housing Ordinance with such modifications of its requirements as approved by the Board of Supervisors, and the Development Approvals and, as applicable, tax credit and bond financing requirements; provided that the Rental Affordable Housing units shall continue to be affordable for a term of at least 55 years from issuance of the Certificate of Occupancy for the particular unit Rental Affordable Housing units shall be developed by one or more qualified tax credit entities (each a "Rental Affordable Housing Developer") selected by the Developer, subject to the reasonable approval of the Agency. The Developer shall provide finished graded and infrastructure serviced pads to the Inclusionary Housing development sites; provided that the pads for the Rental Affordable Housing shall be conveyed to the Rental Affordable Housing Developer at such time as the Agency subsidy payment (or payments from the Developer as part of the Shortfall Loan) under Section b. of Part H of Attachment No. 4 is available for such units and the Rental Affordable Housing Developer has obtained tax credit financing and bonded construction contracts for each phase or segment of the Rental Affordable Housing units to be developed. Eligibility for, and pricing of, the Inclusionary Housing units under this Section 4 shall be calculated according to the methodology set forth in the Inclusionary Housing Agreement consistent with the terms of this Agreement. The County shall not impose any local preference policies for eligibility for the Rental Affordable Housing units."

In implementation of the above referenced provisions of Section 4 of Attachment No. 9 to the DDA, the County and Agency have approved the form of an Inclusionary Housing Regulatory Agreement and Declaration of Restrictive Covenants to be entered into by the County, Agency and CHISPA or its tax credit entity in the form attached hereto as Exhibit B (the "Regulatory Agreement"). The form of Regulatory Agreement attached hereto as Exhibit B may be further modified to comply with the requirements of the tax credit and/or low-income housing bond programs utilized by CHISPA or its tax credit entity for the financing of the Phase Three Rental Affordable Housing; provided, however, that the Agency may consider, in its sole discretion exercised pursuant to the provisions of Health and Safety Code section 33333.14 or similar sections, a request for subordination of the covenants or restrictions in the Regulatory Agreement based on requirements of financing proposed by CHISPA for

the Phase Three Rental Affordable Housing.

6. Affordable Housing Agreements. In connection with conveyance of the Phase Three Rental Affordable Housing Parcel for the construction, rental, and operation of the Phase Three Rental Affordable Housing, CHISPA or its tax credit entity will be required to enter into the following agreements (each of which are subject to final review and approval by CHISPA and CHISPA's development partner and lender):

- a. The Purchase Agreement, substantially in the form of Exhibit C attached hereto;
- b. The Assignment and Assumption Agreement, substantially in the form of Exhibit E of the Purchase Agreement;
- c. The Regulatory Agreement, substantially in the form of Exhibit B attached hereto; and
- d. The Quitclaim Deed from Developer to CHISPA, substantially in the form attached as Exhibit C of the Purchase Agreement.

7. Obligations of Phase Three Rental Affordable Housing Developer. Subject to review and/or approval of the Agency as provided in the DDA, CHISPA shall have the following responsibilities:

- a. CHISPA shall undertake to prepare, in consultation with Developer, and submit to Developer and the Agency for their review and approval, the following documents and information as applicable to the Phase Three Rental Affordable Housing, in adequate time so as not to delay the Schedule of Performance set forth in the Purchase Agreement:
 - i. CHISPA's housing implementation plan for the Phase Three Rental Affordable Housing, including the program to finance, construct, operate and manage the Phase Three Rental Affordable Housing, consistent with the requirements of the DDA
 - ii. a proposed project budget and business plan, consistent with Developer's Pro Forma;
 - iii. a final financing plan, taking into consideration the Agency and/or Developer's Shortfall Loan to the Agency as required by the DDA and consistent with Developer's Pro Forma;
 - iv. a schedule for applying for and obtaining federal or state financing, including tax credit allocations for the Phase Three Rental Affordable Housing, consistent with the Schedule of Performance set forth in the Purchase Agreement;
 - v. a schedule for plans and construction of the Phase Three Rental Affordable Housing, consistent with the schedule provided by Developer consistent with the Section 4 Schedule of this Agreement;

- vi. the proposed form of entity to act as the Phase Three Rental Affordable Housing Developer, including principals, partners and responsible parties and personnel;
- vii. any clarifications or other changes recommended by CHISPA in connection with the DDA, County housing policies and/or other governing documents such as the Regulatory Agreement, the Assignment and Assumption Agreement or the Purchase Agreement; and
- viii. such other information as the Agency or Developer shall request.

b. Following Agency approval of the designation by Developer of CHISPA as the Phase Three Rental Affordable Housing Developer:

- i. CHISPA shall serve as the Phase Three Rental Affordable Housing Developer, as such role is defined in the DDA and will be defined in the Purchase Agreement. CHISPA shall make representations and warranties in the Purchase Agreement as to its status as a nonprofit developer;
- ii. CHISPA (or its tax credit entity) and Developer shall enter into the Purchase Agreement, substantially in the form attached hereto as Exhibit C subject to such revisions and conforming changes as the parties shall mutually agree upon.
- iii. Concurrently with acquisition of the Phase Three Affordable Housing Parcel, CHISPA and Developer shall enter the Assignment and Assumption Agreement and Quitclaim Deed, and CHISPA shall execute or otherwise agree to be bound by the terms of the Regulatory Agreement insofar as it pertains to the Phase Three Rental Affordable Housing.
- iv. CHISPA shall work in good faith to solicit input from Arts Habitat, Inc. and the local artist community in connection with the design of the Phase Three Affordable Housing and to develop a directed marketing program designed to promote the Phase Three Affordable Housing to local artists.
- v. CHISPA shall have the sole and exclusive obligations of the Phase Three Rental Affordable Housing Developer, as defined in the DDA, the Purchase Agreement, and this MOA. CHISPA shall further be responsible for timely performance and completion of all actions assigned to the Phase Three Rental Affordable Housing Developer in the Purchase Agreement
- vi. With respect to the Phase Three Rental Affordable Housing, as among CHISPA, Developer, the Agency and the County, CHISPA shall be responsible for applying for all applicable sources of subsidized funds, and shall be responsible for all other financing obligations including loan repayments, yield maintenance requirements of tax credit investors, certain guarantees as needed or required of the financing, and compliance with all the related regulatory agreements from the respective agencies administering

the various affordable housing programs that will be involved. CHISPA acknowledges that Developer and/or the Agency are under no obligation to provide credit support for such financing.

- vii. CHISPA shall, prior to the conveyance of the Phase Three Rental Affordable Housing Parcel, confirm that it has sufficient assets or access to capital and financial commitments, including the subsidy to be provided by the Agency and/or Developer under the DDA, to develop and operate the Phase Three Rental Affordable Housing.
- viii. CHISPA shall, following conveyance of the Phase Three Rental Affordable Housing Parcel, construct and operate the Phase Three Rental Affordable Housing in accordance with the Assignment and Assumption Agreement and the Inclusionary Housing Regulatory Agreement and Declaration of Restrictive Covenants insofar as it pertains to the Phase Three Rental Affordable Housing.
- ix. CHISPA shall have the following additional responsibilities in implementing the Phase Three Rental Affordable Housing requirements:
 - (i) Apply for design review and approval of Architectural Plans and Site Plan from the appropriate committee pursuant to the Pattern Book (referenced in Recital H.6. hereof) and submit all engineering and building plans required by the County for issuance of a building permit, for the Phase Three Rental Affordable Housing (subject to any waiver of building permit and impact fees that may be obtained from the County under Section 18.40.20.G. of the Monterey County Code).
 - (ii) Prepare required proforma(s).
 - (iii) Attend all Public Hearings/Community Meetings that are relevant to its role as the Phase Three Rental Affordable Housing Developer.
 - (iv) Coordinate and oversee the submittal of construction plans, and applications for all other necessary permits.
 - (v) Secure a General Contractor, subject to approval of Developer.
 - (vi) Enter into a partnership agreement with a tax credit investor.
 - (vii) Apply for and obtain all necessary construction phase financing.
 - (viii) Apply for and obtain all permanent phase financing.
 - (ix) Development and implement a property management program.
 - (x) Develop and implement a marketing and lease-up program.
 - (xi) Develop and implement a renter qualification program.
 - (xii) Develop and implement a move-in coordination and scheduling program (to the extent not covered in subsection (x) above).

(xiii) Comply with all monitoring and reporting requirements.

(xiv) Adequately address cost overruns or revenue deficiency.

8. Obligations of Developer. Subject to review and/or approval by the Agency as provided in the DDA, Developer shall retain the following responsibilities:

a. Developer shall review and approve proformas to be developed by CHISPA for all the Phase Three Rental Affordable Housing in consultation with the Agency and the Agency's consultants in conjunction with the proformas that CHISPA is required to provide under this Agreement. Developer shall provide CHISPA with the following: (1) the schedule for commencement and completion of the Phase Three Rental Affordable Housing consistent with the requirements of the DDA, (2) the amount of water allocated to the Project from the total amount of water allocated by the County for the East Garrison Project, (3) budgeted subsidy funds from the Agency (or from Developer's Shortfall Loan to the Agency) allocated to the Phase Three Rental Affordable Housing, and (4) design guidelines and other site specific building guidelines for the Phase Three Rental Affordable Housing, consistent with the Pattern Book (referenced in Recital H.6: hereof).

c. Developer has prepared the Phase Three Rental Affordable Housing Parcel, including all demolition and all new infrastructure and all utilities (to the parcel line) to the Phase Three Rental Affordable Housing Parcel required for the development of the Phase Three Rental Affordable Housing.

d. Developer shall develop the phasing and timeline for the Phase Three Rental Affordable Housing, consistent with the phasing and scheduling requirements in the DDA.

e. Developer shall deliver to CHISPA rough, graded lot(s) within the Phase Three Rental Affordable Housing Parcel for the development of the Phase Three - Rental Affordable Housing (which rough grading is complete).

f. Developer shall allocate infrastructure and common area costs across all product types being developed within the Site, including the Rental Affordable Housing; provided, however, that the Phase Three Rental Affordable Housing shall not bear costs of infrastructure or common area provided by Developer to serve the Phase Three Rental Affordable Housing Parcel nor be subject to special taxes imposed by a community facilities district or a community services district. The Phase Three Rental Affordable Housing, unless exempted by law, shall be subject to all other assessments, taxes, impact, connection and. building permit fees and charges imposed by or for the County (except to the extent that application and appeal fees for discretionary permit and building permit applications may be waived by the County pursuant to Monterey County Board of Supervisors Resolution No. 2000-342), public and private utilities, schools and other entities.

g. Developer shall, in collaboration with CHISPA, coordinate and facilitate all

public hearings, community meetings and staff meetings that Developer or Agency deem appropriate with respect to the Phase Three Rental Affordable Housing.

h. Developer shall contribute to the cost of the Phase Three Rental Affordable Housing, as necessary in augmentation of the Agency's financial contribution, in accordance with the requirements and limitations of the DDA.

i. Developer shall review and approve or disapprove, in consultation with CHISPA, the required submittals from CHISPA under Section 7 of this MOA.

9. Time of Essence; Termination. Time is of the essence under this MOA. CHISPA has reviewed Attachment No. 3 to the DDA and understands and acknowledges that the failure to develop the Phase Three Rental Affordable Housing within the time and manner provided in the DDA may subject Developer to withholding of building permits for market rate housing or resulting in the Agency enforcing the guarantee signed by Developer's parent company for the timely completion of the Phase Three Rental Affordable Housing. Developer understands and acknowledges that in order to meet the schedule of Developer for the Phase Three Rental Affordable Housing, CHISPA will need to file timely applications for tax credits and bond financing. Developer and CHISPA will therefore mutually cooperate to accomplish tasks and maintain projected schedules for the Phase Three Rental Affordable Housing. Either party may terminate this MOA upon 30 days prior written notice to the other (with written notice simultaneously provided to the Agency) if in the good faith business judgment of the terminating party the projected schedules cannot be met for any reason, and it is not reasonably feasible to extend such projected schedules by mutual consent or in reliance upon one or more events of enforced delays under Section 604 of the DDA. In the event of such termination, neither party shall have any further rights or obligations to the other party.

10. Counterparts. This MOA may be executed in any number of identical counterparts and each counterpart shall be deemed to be an original document. All executed counterparts together shall constitute one and the same document, and any counterpart signature pages may be detached and assembled to form a single original document. An electronic of a counterpart signature page shall be considered the equivalent of an ink original for all purposes.

11. Approval by Agency. This MOA is subject to the approval of the Agency.

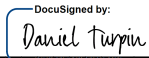
[signatures on next page]

IN WITNESS WHEREOF, the parties have executed this MOA as of the date first written above.

DEVELOPER:

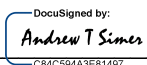
UCP EAST GARRISON, LLC, a Delaware
limited liability company

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

By: 
Daniel Turpin
Division Manager

CHISPA:

COMMUNITY HOUSING
IMPROVEMENT SYSTEMS AND
PLANNING ASSOCIATION, INC., a
California nonprofit public benefit
corporation

By: 
Name: Andrew T Simer
Title: chief financial officer

APPROVAL OF AGENCY

THE SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY ("Agency") hereby approves the designation by Developer of Community Housing Improvement Systems and Planning Association, Inc., a California nonprofit public benefit corporation ("CHISPA") as the Rental Affordable Housing Developer under the DDA and the MOA for the Phase Three Rental Affordable Housing and approves the terms of the MOA between Developer and CHISPA.

1. The Agency reserves approval of the terms of the following documents for the transfer of the Phase Three Rental Affordable Housing Parcel to CHISPA, as to their final form:

- (a) the Purchase Agreement (Exhibit C to the MOA);
- (b) the Assignment and Assumption Agreement (Exhibit E to the Purchase Agreement);
- (c) the Inclusionary Housing Regulatory Agreement and Declaration of Restrictive Covenants (Exhibit B-1 to the MOA); and
- (d) the Quitclaim Deed from Developer to CHISPA (Exhibit C to the Purchase Agreement).

2. The Agency acknowledges and agrees to fulfill its financial obligations under Section 4 of Attachment No. 9 of the DDA.

3. The Agency acknowledges and agrees to provide the legally binding assurances to Developer and CHISPA referenced in Section 3 of the MOA.

4. The Agency agrees to cooperate with Developer and CHISPA in the transfer of the Phase Three Rental Affordable Housing Parcel and the development of the Phase Three Rental Affordable Units, consistent with the terms of the MOA, the Assignment and Assumption Agreement, and Regulatory Agreement.

Executed as of

AGENCY:

SUCCESSOR AGENCY TO
REDEVELOPMENT AGENCY OF THE
COUNTY OF MONTEREY

By: _____
Glenn Church, Chair
Monterey County Board of Supervisors

Approved as to Form and Legality

By: _____
Michael Whilden
Deputy County Counsel Attorney for the
Successor Agency to the Redevelopment
Agency of the County of Monterey

EXHIBIT A
PHASE THREE PROJECT
(INCLUDES TOWN CENTER ON GROUND FLOOR AND PHASE 3
RENTAL AFFORDABLE HOUSING ON ALL FLOORS ABOVE GROUND
FLOOR)

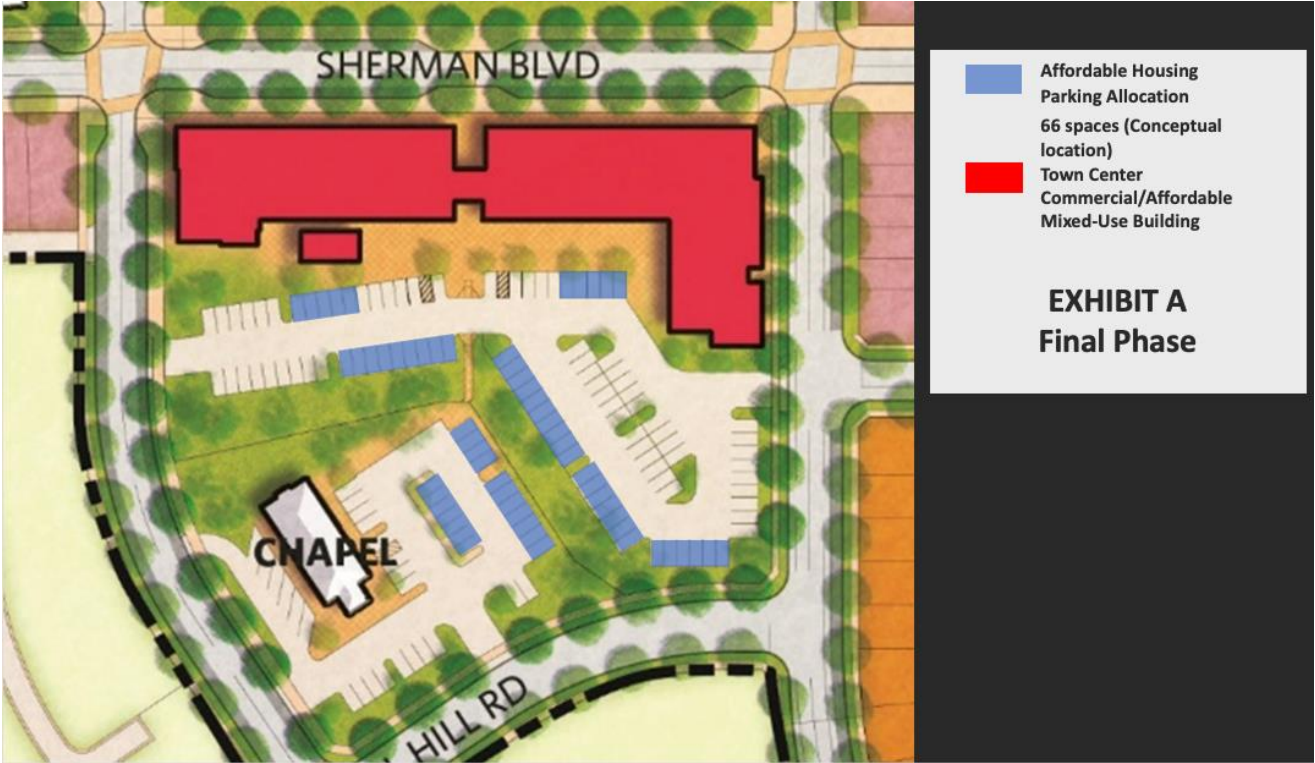


EXHIBIT B
REGULATORY AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

County of Monterey
Housing and Community Development
1441 Schilling Place, South 2nd Floor
Salinas, California 93901
Attn: Housing Program Manager

No fee for recording pursuant to
Government Code Section 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**
(East Garrison)

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**
(East Garrison)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated _____, 2024, and is between UCP EAST GARRISON, LLC, a Delaware limited liability company ("Developer" under the DDA) and Community Housing Improvement Systems and Planning Association, Inc., a California nonprofit public benefit corporation ("CHISPA").

RECITALS

A. Defined Terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. Developer has acquired a leasehold interest in the real property located in the City of Marina, County of Monterey, State of California, as more particularly described in Exhibit A (the "Property"). Developer intends to construct on the housing development (including one manager's unit) (the "Improvements"). The Improvements and the Property are referred to as the "Development".

The parties therefore agree as follows.

ARTICLE 1 DEFINITIONS; EXHIBITS

1.1 Definitions.

The following terms have the following meanings:

- (a) "Agreement" has the meaning set forth in the first paragraph of this Agreement.
- (b) "Completion Date" means the date that all the following have occurred: (1) a final certificate of occupancy, or equivalent document is issued by the City to certify completion of the construction of the Development; .
- (c) "Completion of Construction" means the date the construction of the Development is completed as evidenced by the issuance of a certificate of occupancy or equivalent document issued by the, to certify completion of the construction of the Development.
- (d) "Development" has the meaning set forth in Paragraph B of the Recitals.
- (e) "HUD" means the United States Department of Housing and Urban Development.
- (f) "Low-Income Household" means a household with an eighty percent (80%) income level as published by TCAC, or if TCAC does not publish such levels, a household with an Adjusted Income that does not exceed eighty percent (80%) of Area Median Income...
- (g) "Low Income Rent" means the maximum rent published by TCAC for an eighty percent (80%) income level household in Monterey County for the applicable bedroom size.
- (h) "Low-Income Units" means the which, pursuant to Section 2.1 below, are required to be occupied by Low-Income Households.
- (i) "Management Agent" has the meaning set forth in Section 5.2.
- (j) "Property" has the meaning set forth in Paragraph B of the Recitals.
- (k) "Rent" means the total of monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by the Partnership which are required of all Tenants, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, which may include as applicable, garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than the Partnership, and paid by the Tenant.

- (l) "Service Provider" has the meaning set forth in Section 5.6.
- (m) "TCAC" means the California Tax Credit Allocation Committee.
- (n) "Tenant" means the tenant household that occupies a Unit in the Development.
- (o) "Tenant Services" has the meaning set forth in Section 5.6.
- (p) "Term" means the term of this Agreement which commences as of the date of this Agreement, and unless sooner terminated pursuant to the terms of this Agreement, expires on the date fifty-five (55) years from the Completion Date.
- (q) "Unit(s)" means one (1) or more of the units in the Development.
- (r) "Very Low-Income Household" means a household with a fifty percent (50%) income level as published by TCAC, or if TCAC does not publish such levels, a household with an Adjusted Income that does not exceed fifty percent (50%) of Area Median Income.
- (s) "Very Low-Income Rent" means the maximum rent published by TCAC for a fifty percent (50%) income level household in Monterey County for the applicable bedroom size
- (t) "Very Low-Income Units" means the Inclusionary Housing Units which, pursuant to Section 2.1(a) below, are required to be occupied by Very Low-Income Households.

1.2 Exhibits

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A: Legal Description of the Property
- Exhibit B: Certificate of Continuing Program Compliance
- Exhibit C: Form of Certification of Tenant Eligibility

ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

2.1 Occupancy Requirements.

(a) Very Low-Income Units. During the Term, Developer shall , and ensure that these Units are occupied or, if vacant, available for occupancy, by Very Low-Income Households. The Very Low-Income Units shall be considered

(b) Low-Income Units. During the Term, Developer shall and ensure that these Units are occupied or, if vacant, available for occupancy, by Low-Income Households. The Low-Income Units shall be considered

(c) Intermingling of Units. The are to be intermingled throughout the Development and of comparable quality to all other Units. All Tenants must have equal access to and

enjoyment of all common facilities in the Development.

(d) Disabled Persons Occupancy. Developer shall cause the Development to be operated at all times in compliance with the provisions of: (1) the Unruh Act; (2) the California Fair Employment and Housing Act; (3) Section 504 of the Rehabilitation Act of 1973; (4) the United States Fair Housing Act, as amended; and (5) the Americans with Disabilities Act of 1990, which relate to disabled persons' access. Developer shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to the County) the County, and its board members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments, and liens arising out of Developer's failure to comply with applicable legal requirements related to housing for persons with disabilities. The provisions of this subsection will survive expiration of the Term or other termination of this Agreement and remain in full force and effect.

2.2 Allowable Rent.

(a) Very Low-Income Rent. Subject to the provisions of Section 2.3 below, the Rent paid by Tenants of Very Low-Income Units may not exceed the Very Low Income Rent for the applicable bedroom size.

(b) Low-Income Rent. Subject to the provisions of Section 2.3 below, the Rent paid by Tenants of Low-Income Units may not exceed the Low Income Rent for the applicable bedroom size.

(c) No Additional Fees. Developer may not charge any fee, other than Rent, to any Tenant of the Units for any housing or other services provided by Developer.

2.3 Rent Increases, Increased Income of Tenants.

(a) Rent Increases. The proposed initial Rents and subsequent Rents for all Units shall be provided to the Developer by the County prior to initial or subsequent occupancy and prior to a rent increase.

(b) Increased income above Very Low but below Low-Income Limit. Subject to Subsection (a) above, if, upon the annual certification of the income of a Tenant of a Inclusionary Housing Unit, Developer determines that the income of a Very Low-Income Household has increased above the qualifying limit for a Very Low-Income Household, but not above the qualifying income for a Low-Income Household, the Tenant may continue to occupy the Unit and the Tenant's Rent shall be the Low-Income Rent. Developer shall then rent the next available Unit to a Very Low-Income Household, as applicable, to comply with the requirements of Section 2.1 above, at a Rent not exceeding the maximum Rent specified in Section 2.2 or re-designate another comparable Unit in the Development with a Very Low-Income Household, to comply with the requirements of Section 2.1 above. Upon renting the next available Unit in accordance with Section 2.1 or re-designating another Unit in the Development as a Inclusionary Housing Unit, the Unit with the over-income Tenant will no longer be considered a Inclusionary Housing Unit.

(c) Non-Qualifying Household. If, upon the annual certification of the income a

Tenant of a Low Income Unit, the Partnership determines that a Tenant's income exceeds that of a Low Income Household, such Tenant shall be permitted to continue to occupy the Unit and such Tenant's Rent may be increased to one-twelfth of thirty percent (30%) of the household's actual income, adjusted for Assumed Household Size, upon thirty (30) days written notice to the Tenant, subject to any other regulatory restrictions that would prohibit such rent increase.

(d) Termination of Occupancy. Upon termination of occupancy of a Inclusionary Housing Unit by a Tenant, such Unit will be deemed to be continuously occupied by a household of the same income level as the initial income level of the vacating Tenant, until such Unit is reoccupied or another Unit is re-designated as a Inclusionary Housing Unit, at which time categorization of the Unit will be established based on the occupancy requirements of Section 2.1.

2.4 Units Available to the Disabled. Developer shall construct the Development in compliance with all applicable federal and state disabled persons accessibility requirements including but not limited to the Federal Fair Housing Act; Section 504 of the Rehabilitation Act of 1973; Title II and/or Title III of the Americans with Disabilities Act; and Title 24 of the California Code of Regulations. In compliance with Section 504 of the Rehabilitation Act, a minimum of five (5) units in the Development shall be constructed to be readily accessible and usable by households with a mobility impaired member and a minimum of two (2) units shall be constructed and to be readily accessible and usable by households with a hearing or visually impaired member. Not less than thirty (30) days from the Completion Date, Developer shall deliver to the County the certification required pursuant to Section 3.8(g) of the Loan Agreement.

2.5 Income and Rent Calculations.

If TCAC no longer publishes the income and rent information that this Agreement contemplates that TCAC will publish, the Authority will provide the Partnership with other income and rent determinations which are reasonably similar with respect to methods of calculation to those previously published by TCAC, as applicable.

ARTICLE 3 INCOME CERTIFICATION AND REPORTING

3.1 Income Certification.

(a) Developer shall obtain, complete, and maintain on file, immediately prior to initial occupancy and annually thereafter, income certifications from each Tenant renting any of the Inclusionary Housing Units (excluding the Manager's Unit). Developer shall make a good faith effort to verify the accuracy of the income provided by all applicants or all members of the occupying household, as the case may be, in the income certification. To verify the information Developer shall take two or more of the following steps: (1) obtain pay stubs for the most recent two months; (2) obtain an income tax return for the most recent tax year; (3) conduct a credit agency or similar search; (4) obtain an income verification form from the applicant's current employer verifying employment for the last two months; (5) obtain an income verification form

from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, verifying assistance for the last two months; or (6) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification acceptable to the County.

(b) Developer shall also complete and/or have the Tenants of the Inclusionary Housing Units complete and sign the "Income Computation and Certification" and the "Owner's Certification of Household Income" both of which are attached hereto as Exhibit D, or any other form approved by the County, and/or any other forms related to Tenants' income provided to Developer by the County or that provide income information that is sufficient to determine an applicant's income as required by this Section. Copies of Tenant income certifications shall be made available to the County upon request.

(a) The County approves use of the tenant income certification forms required by State of California Department of Housing and Community Development in place of the forms attached as Exhibit D.

(b) Reporting Requirements. Commencing upon completion of the Improvements, Developer shall submit to the County: (a) not later than the ninetieth (90th) day after the close of each calendar year, or such other later date as may be requested by the County, a signed copy of the Certification of Program Compliance in the form attached as Exhibit C; and (b) within fifteen (15) days after receipt of a written request, and any other information or completed forms requested by the County in order to comply with reporting requirements of the State of California, and the County.

3.2 Additional Information. Developer shall provide any additional information reasonably requested by the County.

3.3 Records. Developer shall maintain complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the County to inspect records, including records pertaining to income and household size of Tenants and Rent charged to such Tenants. All Tenant lists, applications and waiting lists relating to the Development are to be at all times: (a) separate and identifiable from any other business of Developer; (b) maintained as required by the County, in a reasonable condition for proper audit; and (c) subject to examination during business hours by representatives of the County. Developer shall retain copies of all materials obtained or produced with respect to occupancy of the units for a period of at least five (5) years. The County may audit, examine, and make copies of all books, records or other documents of Developer that pertain to the Development.

3.4 Inclusionary Housing Requirements. All records maintained by Developer pursuant to Sections 3.3 above are to be: (a) maintained in compliance with all applicable State HCD records and accounting requirements; and (b) open to and available for inspection and copying by HCD and its authorized representatives at reasonable intervals during normal business hours; provided however, records pertaining to Tenant income verifications, Rents, and Development physical inspections must be kept for the most recent five (5) year period and are subject to HCD inspection for five (5) years after expiration of the Inclusionary Housing Term.

3.5 On-Site Inspection.

(a) The County may perform, or cause to be performed, an on-site inspection of the Development (including Units, subject to the rights of Tenants) at least one (1) time per year upon twenty-four (24) hours' written notice during normal business hours to monitor compliance with this Agreement. Subject to the rights of tenants, Developer shall cooperate in making the Property available for such inspection.

(b) After the completion of an inspection the County shall deliver a copy of the inspection report to the Developer. If the County determines because of such inspection that there are any life-threatening health and safety related deficiencies, Developer has the obligation to correct such deficiencies immediately. If the County determines as a result of the inspection that there are any deficiencies for any of the inspectable items in the Development (other than those identified in the preceding sentence), the Developer shall correct such deficiencies within fifteen (15) days from the delivery of the inspection report or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Developer must begin to correct the deficiency within fifteen (15) days and complete its correction of the deficiency as soon as reasonably possible. In addition, the Developer acknowledges that the County may re-inspect the Development to verify all deficiencies have been corrected or rely on third party documentation submitted by the Developer for non-hazardous deficiencies.

ARTICLE 4
OPERATION OF THE DEVELOPMENT

4.1 Residential Use. Developer shall operate the Development for residential use only and such ancillary uses permitted at the Development as approved by the County. No part of the Development may be operated as an emergency shelter (including shelter for disaster victims) or facilities including but not limited to nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, halfway houses, housing for students, or dormitories (including farmworker dormitories).

4.2 Compliance with Loan Documents and Inclusionary Housing Requirements. Developer's actions with respect to the Property shall at all times be in full conformity with: (a) all requirements of the Inclusionary Housing; (b) all requirements imposed on projects assisted with and the.

4.3 Taxes and Assessments. Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Developer may apply for a property tax exemption for the Property under any provision of law or contest in good faith, any such taxes, assessments, or charges. In the event Developer exercises its right to contest any tax, assessment, or charge against it, Developer, on final determination of the proceeding or contest, will immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and

interest.

4.4 Property Tax Exemption. Developer shall not apply for a property tax exemption for the Property under any provision of law, except California Revenue and Taxation Section 214(g), without the prior written consent of the County.

ARTICLE 5 PROPERTY MANAGEMENT, MAINTENANCE AND TENANT SERVICES

5.1 Management Responsibilities. Developer is responsible for all management functions with respect to the Development, including without limitation the selection of Tenants certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The County has no responsibility for management of the Development. Developer shall retain a professional property management company approved by the County in its reasonable discretion to perform Developer's management duties hereunder. An on-site property manager is also required.

5.2 Management Agent. Developer shall cause the Development to be managed by an experienced management agent reasonably acceptable to the County, with a demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing (the "Management Agent"). The County hereby approves of EAH, Inc. as the initial Management Agent for the Project. For any change in the Management Agent, Developer must submit for the County's approval the identity of the Management Agent and any proposed subsequent Management Agent. Developer must also submit such additional information about the background, experience and financial condition of any proposed Management Agent as is reasonably necessary for the County to determine whether the proposed Management Agent meets the standard for a qualified Management Agent set forth above. If the proposed Management Agent meets the standard for a qualified Management Agent set forth above, the County shall approve the proposed Management Agent by notifying Developer in writing. Unless the proposed Management Agent is disapproved by the County within thirty (30) days, which disapproval is to state with reasonable specificity the basis for disapproval, it shall be deemed approved.

5.3 Periodic Performance Review. The County reserves the right to conduct an annual (or more frequently, if deemed necessary by the County) review of the management practices and financial status of the Development. The purpose of each periodic review will be to enable the County to determine if the Development is being operated and managed in accordance with the requirements and standards of this Agreement. Developer shall cooperate with the County in such reviews.

5.4 Replacement of Management Agent.
(a) If, as a result of a periodic review, the County determines in its reasonable judgment that the Development is not being operated and managed in accordance with any one of the material requirements and standards of this Agreement, the County shall first deliver the

results of such review to the Developer and Management Agent, who shall have thirty (30) days to respond or to adopt such rules and implement such practices as are reasonably likely to cure the performance defaults alleged by the County. If the County remains dissatisfied with the response or proffered cure, it may at any time after the initial notice, deliver notice to Developer of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days after receipt by Developer of such written notice, County staff and Developer shall meet in good faith to consider methods for improving the financial and operating status of the Development, including, without limitation, replacement of the Management Agent. The Senior Lender (as defined in Section 1.1 of the Loan Agreement) will receive an opportunity to participate in all meetings required under this Section.

(b) If, after such meeting, County staff recommends in writing the replacement of the Management Agent, Developer will promptly dismiss the then-current Management Agent, and must appoint as the Management Agent a person or entity meeting the standards for a management agent set forth in Section 5.2 above and approved by the County pursuant to Section 5.2 above, and subject to the rights of the Senior Lender.

(c) Any contract for the operation or management of the Development entered into by Developer must provide that the Management Agent may be dismissed, and the contract terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section constitutes a default under this Agreement, and the County may enforce this provision through legal proceedings as specified in Section 6.7 below.

5.5 Approval of Management Policies. Developer must submit its written management policies with respect to the Development to the County for its review and must amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

5.6 Tenant Services Provider.

(a) The Developer will be providing on-site services which Developer will make available to all Tenants in the Development (the "Tenant Services"). The Developer must submit to the County for approval the name and qualifications of any proposed services provider (the "Services Provider").

(b) The Services Provider must demonstrate the ability to effectively provide Tenant Services in residential facilities like the Development. The Developer must submit additional information about the background, experience and financial condition of any proposed Services Provider as is reasonably necessary for the County to determine whether the proposed Services Provider meets the standards for a qualified Services Provider of developments of this type.

(c) If the proposed Services Provider meets the standard for a qualified Services Provider set forth above, the County shall approve the proposed Services Provider by notifying Developer in writing. Unless the proposed Services Provider is disapproved in writing by the County within thirty (30) days, which disapproval is to state with reasonable specificity the basis for disapproval, it shall be deemed approved.

5.7 Property Maintenance.

(a) Developer must maintain, for the entire Term of this Agreement, all interior and exterior Improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in a decent, safe, sanitary condition and in good repair in accordance with local health, building and housing codes.

(b) The County places prime importance on quality maintenance to protect its investment and to ensure that all County funded affordable housing projects within the County are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Development will be acceptable to the County assuming Developer agrees to provide all necessary improvements to assure the Development is maintained in good condition. Developer shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

(c) If Developer breaches any of the covenants contained in this section and such default continues for a period of seven (7) days after written notice from the County with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the County with respect to landscaping and building improvements; then the County, in addition to whatever other remedy it may have at law or in equity, has the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default, or if a period longer than seven (7) and thirty (30) days is reasonably necessary to correct the deficiency, respectively, then the Developer shall begin to correct the deficiency within seven (7) and thirty (30) days, respectively, and correct the deficiency as soon as reasonably possible. Pursuant to such right of entry, the County is permitted (but is not required) to enter upon the Property and to perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the County and/or costs of such cure, which amount shall be promptly paid by Developer to the County upon demand.

5.8 Crime Prevention Program. During the Term of this Agreement Developer agrees to participate in the Monterey County Sheriff's Department's Crime Free Multi-Housing program or similar program administered by the City (the "Crime Prevention Program"). The County's periodic review of the management of the Development pursuant to Section 5.3 will include an evaluation of Developer's participation in the Crime Prevention Program.

ARTICLE 6 MISCELLANEOUS

6.1 Lease Provisions.

(a) In leasing the Units within the Development, Developer shall use a form of written lease approved by the County. The form of lease must comply with all requirements of this Agreement, the other Loan Documents and must, among other matters:

(1) provide for termination of the lease for failure to: (A) provide any information required under this Agreement or reasonably requested by Developer to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Development in accordance with the standards set forth in this Agreement; or (B) qualify as a Very Low-Income Household or Low-Income Household as a result of any material misrepresentation made by such Tenant with respect to the income computation.

(2) be for an initial term of not less than one (1) year, unless by mutual agreement between the Tenant and Developer, and provide for no increase in Rent during such year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Developer and the Tenant. Notwithstanding the above, any rent increases are subject to the requirements of Section 2.3(a) above.

(3) include a provision which requires a Tenant who is residing in a Unit required to be accessible pursuant to Section 2.4 and who is not in need of an accessible Unit to move to a non-accessible Unit when a non-accessible Unit becomes available, and another Tenant or prospective Tenant needs an accessible Unit.

6.2 Lease Termination. Any termination of a lease or refusal to renew a lease for a Unit within the Development must be preceded by not less than sixty (60) days written notice to the Tenant by Developer specifying the grounds for the action.

6.3 Nondiscrimination.

(a) All the Units must be available for occupancy on a continuous basis to members of the general public who are income eligible. Except as provided in subsection (b) below, Developer may not give preference to any class or group of persons in renting or selling the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this Agreement [or to homeless or chronically homeless veterans in accordance with the requirements of the HCD funding]. Developer herein covenants by and for Developer, assigns, and all persons claiming under or through Developer, that there exist no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, source of income (e.g., SSI), ancestry, or disability, age, or military and veteran status, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Unit nor will Developer or any person claiming under or through Developer, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any Unit or in connection with the employment of persons for the construction, operation and management of any Unit. Developer shall comply with Executive Orders 11246, 11375, 11625,

12138, 12431, 12250, 13672, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

(b) Developer shall accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. Developer may not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective Tenants, nor will Developer apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Tenants.

6.4 Covenants to Run with the Land. The County and Developer hereby declare their express intent that the covenants and restrictions set forth in this Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, is to be held conclusively to have been executed, delivered and accepted subject to the covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the County expressly releases such conveyed portion of the Property from the requirements of this Agreement.

6.5 Enforcement by the County. If Developer fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the County has notified Developer in writing of the default or, if the default cannot be cured within thirty (30) days, fails to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within ninety (90) days, the County may enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

6.6 Attorneys' Fees and Costs. In any action brought to enforce this Agreement, the prevailing party must be entitled to all costs and expenses of suit, including reasonable attorneys' fees. This section shall be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

6.7 Recording and Filing. The County and Developer shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Monterey.

6.8 Governing Law. This Agreement is governed by the laws of the State of California.

6.9 Waiver of Requirements. Any of the requirements of this Agreement may be expressly waived by the County in writing, but no waiver by the County of any requirement of

this Agreement extends to or affects any other provision of this Agreement and may not be deemed to do so.

6.10 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title that is duly recorded in the official records of the County of Monterey.

6.11 Notices. Any notice requirement set forth herein will be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

Developer: UCP East Garrison, LLC
6700 Koll Center Parkway, Suite 210
Pleasanton , CA 94566
Phone: (925) 300-6658
Email: nick.arenson@centurycommunities.com

With a copy to: Century Communities
4695 MacArthur Court, Suite 300
Newport Beach, CA 92660
Attention: Holly Traube Cordova, Esq.
Phone: (661) 487-6080
Email: holly.cordova@centurycommunities.com

CHISPA: CHISPA inc.
295 Main Street, Suite 100.
Salinas, CA 93901
Attention: Director of Real Estate Development
Phone: (831) 757-6251 ext 141
Email: _dcleary@chispahousing.org

With a copy to: County of Monterey
Housing & Community Development
1441 Schilling Place, South 2nd Floor
Salinas, California 93901
Attn: Housing Program Manager

Such addresses may be changed by notice to the other party given in the same manner as provided above.

6.12 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining portions of this Agreement will not in any way be affected or impaired thereby.

6.13 Multiple Originals; Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

6.14 Revival of Agreement after Foreclosure. In the event there is a foreclosure of the Property, this Agreement will revive according to its original terms if, during the Term, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Development or Property.

Signatures Appear on Following Page

WHEREAS, this Agreement has been entered into by the undersigned as of the Effective Date.

DEVELOPER

UCP East Garrison, LLC, a Delaware limited liability company

By: UCP East Garrison, LLC, a Delaware limited liability company, its sole member

By: _____
Daniel Turpin
Division Manager

CHISPA

Community Housing Improvement Systems and Planning Association, Inc.

By: California nonprofit public benefit corporation

By: _____
Name:
Title:

Date: _____

Name: _____
Name: Notary Public

Name: _____
Name: Notary Public

EXHIBIT A

LEGAL DESCRIPTION

The land referred to is situated in the County of Monterey, City of Marina, State of California, and is described as follows:

The properties are located south of the intersection of Reservation Road and East Garrison Drive, Marina, California, East Garrison Specific Plan area, Fort Ord Planning Area.

APN 031-164-116-000

EXHIBIT B

**CERTIFICATE OF
CONTINUING PROGRAM COMPLIANCE**

The following information with respect to East Garrison Phase Three Affordable Housing Development (the "Development"), is being provided by _____ (the "Owner") and the Community Housing Improvement Systems and Planning Association, Inc., a California nonprofit public benefit corporation ("CHISPA"), pursuant to that certain Inclusionary Housing Agreement dated as of _____, and the Regulatory Agreement dated as of _____, with respect to the Development:

- (A) The total number of residential units which are completed and available for occupancy is _____.

The total number of such units occupied is _____.

- (B) The following residential units which are included in (B) above, have been designated as County-Assisted Units since _____, 20____, the date on which the last "Certificate of Continuing Program Compliance" was filed with the County by _____;

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number

If a floating unit was substituted, please attach any information on unit substitutions and filling of vacancies to evidence maintenance of required unit mix and income targeting.)

- (C) The following residential units are considered to be occupied by Very Low-Income Households and Low-Income Households based on the information set forth below:

- (D) In renting the residential units in the Development, Owner has not given preference to any particular group or class of persons not allowed under the Regulatory Agreement (except for persons who qualify as qualified Very Low-Income Households or Low-Income Households). All of the residential units in the Development have been rented pursuant to a written lease, and the term of each lease is at least 12 months. A copy of the form lease is attached.
- (E) Property owners and managers have participated in the Monterey County Sheriff-Coroner Department's Crime Free Multi-Housing Unit Program, wherein specialized training and other resources are provided to multi-family property owners and managers to reduce the potential for onsite criminal activity. Completion of the Department's four (4) training phases, a Final Certification (Phase V) has been achieved and is being maintained by the owner/representative and/or regional/-onsite property manager.
- (F) Each building in the Development and all Units in the Development are suitable for occupancy and comply with all applicable State and local health, safety and other applicable codes, ordinances, and requirements and the ongoing property standards, as specified in Section of the 5.7 of the Regulatory Agreement.
- (G) The information provided in this "Certificate of Continuing Program Compliance" is accurate and complete, and no matters have come to the attention of Owner which would indicate that any of the information provided herein, or in any "Certification of Tenant Eligibility" obtained from the tenants named herein, is inaccurate or incomplete in any respect.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of Owner, on this
_day of _____, 20__.

OWNER:

EXHIBIT C**FORM OF CERTIFICATION OF TENANT ELIGIBILITY**

I, the Undersigned, certify that I have read and answered fully, and truthfully each of the following questions for all persons in the household who are to occupy a room in this house for which application is made.

<u>Occupant's Name</u>	<u>Social Security #</u>	<u>Age</u>	<u>Place of Employment</u>	<u>Annual Income</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
			TOTAL:	

The total anticipated annual household income* for the twelve (12) month period beginning this date (the sum of the final column): \$ _____.

Signed: _____ Date: _____
Head of Household

* The anticipated annual Income as determined by Attachment A.

Owner's Certification of Household Income

Household Name _____

I certify, as Owner/Management Agent for _____ that I have verified this Household's Income by using the following:

1. Tax returns _____
2. Place of employment verification _____
3. Pay stubs _____
4. Notarized statement from lessee _____
5. Other (please describe) _____

Owner/Management Agent

Date

EXHIBIT C
PURCHASE AGREEMENT

DRAFT

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS

(PHASE THREE RENTAL AFFORDABLE HOUSING DEVELOPMENT)

This AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of _____, 2024 (the "Effective Date"), by and between UCP East Garrison, LLC, a Delaware limited liability company ("Seller") and Community Housing Improvement Systems and Planning Association, Inc., a California nonprofit public benefit corporation ("Buyer"), (collectively, the "Parties").

RECITALS

A. Seller is the current master developer of a project consisting of housing and other related uses located on an approximately 244 acre area in the unincorporated part of the County known as "East Garrison", which was conveyed by the Redevelopment Agency of the County of Monterey to East Garrison Partners I, LLC, a California limited liability company ("EGP") for development in accordance with that certain Disposition and Development Agreement by and between the Agency and EGP, dated as of October 4, 2005 (the "DDA"), a Memorandum of which was recorded in the Official Records of the Monterey County Recorder ("Official Records") on May 16, 2006 under Recorder's Series number 2006044222, and that certain Development Agreement by and between the County and EGP, dated as of October 4, 2005, and recorded in the Official Records on May 16, 2006 as Document No. 2006044223 (the "DA").

B. The Redevelopment Agency of the County of Monterey has been succeeded by the Successor Agency to the Redevelopment Agency of the County of Monterey (the "Agency").

C. Seller acquired all of the rights, title interest and development rights to East Garrison, including the DDA, from EGP pursuant to a foreclosure process as evidenced in that certain Trustee's Deed Upon Sale ("Trustee's Deed") recorded September 9, 2009, in the Official Records under Recorder's Series Number 2009-057220. The DDA was subsequently assigned to and assumed by Seller by that certain Implementation Agreement by and between the County and Seller dated June 28, 2011, which was amended and restated in that certain Amended and Restated Implementation Agreement dated August 30, 2016 (the "Seller Implementation Agreement").

D. East Garrison is part of the former Fort Ord Army Base and was conveyed by the U.S. Army (the "Army") by quitclaim deed (the "Army Deed") to the Fort Ord Reuse Authority ("FORA") which conveyed East Garrison property by quitclaim deed (the "FORA Deed") to the Agency, which conveyed East Garrison property by quitclaim deed to EGP (the "Agency Deed"), subject to certain easements, use and development restrictions imposed by the Agency under the DDA and subject to certain easements, rights, conditions, disclosures, warranties and restrictions in the Army Deed and the FORA Deed, including a Finding of Suitability to Transfer ("FOST") adopted by the Army and appended to the Army Deed. Seller obtained title to East Garrison pursuant to the Trustee's Deed.

DRAFT

E. In connection with Seller's Development of East Garrison, the Agency desired to ensure that certain affordable housing requirements are met in accordance with, among other things, the Redevelopment Plan for the Fort Ord Redevelopment Project (the "Redevelopment Plan"), the East Garrison Specific Plan and related development entitlements approved by the County on October 4, 2005 (collectively, the "Specific Plan"), and the DDA and the DA, both of which were assigned to Seller. Accordingly, Seller desires to ensure the development of at least 66 residential rental units affordable to Very Low and Low Income Households (the "Rental Affordable Housing Project") within East Garrison.

F. In furtherance of the desire to ensure the Rental Affordable Housing Project, EGP and Buyer entered into that certain Memorandum of Agreement for the Phase Three Rental Affordable Housing Development at East Garrison, County of Monterey, CA dated January 16, 2007 (the "MOA"), in which the parties thereto designated a parcel within the Phase Three of East Garrison for Buyer to construct the Rental Affordable Housing Project.

G. After execution of the MOA, the County and Seller determined that it is infeasible to develop Phase Three as intended. Consequently, the County and Seller have been in discussions regarding revising the East Garrison Specific Plan and other Development Approvals (as defined in the DDA) (collectively, the "Revised Phase Three Entitlements").

H. Among other things the Revised Phase Three Entitlements includes changes to the Rental Affordable Housing Project. In particular, subject to the County's and Agency's approval, rather than the Rental Affordable Housing Project being a stand-alone apartment complex on the parcel designated in the MOA, it is now intended to be developed on the Phase 3 land more particularly described on Exhibit A attached hereto (the "Project"), as follows:

1. The Project is to be developed as a mixed use condominium development of no more than five (5) condominium units, comprised of two (2) mixed use buildings (collectively, the "Buildings"), and an associated parking lot and common areas.
2. The ground floor of the Buildings are to be comprised of up to four (4) non-residential condominium units, and designated for non-residential use and owned by Seller or its successors and assigns (such condominium units, together with a pro rata percentage of undivided interest in all related common elements, is hereinafter referred to as the "Ground Floor").
3. All floors above the Ground Floor within the Buildings are to be a single residential condominium unit, to be owned and operated by Buyer and operated as the Rental Affordable Housing Project with 66 residential rental units that are affordable to Very Low and Low Income Households (such condominium unit, together with a pro rata percentage of undivided interest in all related common elements, is hereinafter referred to as the "Property").
4. The elevator and other portions of the Property that exclusively serve the Rental Affordable Housing Project are to be included in the Rental Affordable Housing Project condominium unit, regardless of whether they are located in the ground floor of the Buildings.
5. The parking lot is to be designated as a common element for the Project and will have some parking spaces designated for exclusive use for the residents of the

DRAFT

Rental Affordable Housing Project, and other parking spaces designated for the owners, tenants and invitees of the Ground Floor. A parking study is currently being prepared, and the parties will work together in good faith on agreeing on designation of the exclusive and shared parking spaces based on the parking study.

6. An owner's association is to be formed to manage the Project and maintain the common elements of the Project (the "Owners Association").

I. In accordance with the requirements of the DDA pertaining to the Rental Affordable Housing Project, Seller and Buyer with the approval of the Agency, will enter into an Assignment and Assumption Agreement consistent with the form set forth in Exhibit E (all, collectively, the "Rental Affordable Requirements").

J. The East Garrison Specific Plan provides a formula for the amount of potable water that the Property is entitled to annually. Seller and Buyer acknowledge that the allotment under the Specific Plan (15.18 acre feet of potable water annually) is adequate for the Rental Affordable Housing Project, and Buyer will use commercially reasonable efforts, which will include but are not limited to using low flow fixtures, toilets, etc., not to exceed such allotment.

K. Seller and Buyer desire for Buyer to acquire the Property, manage design and construction of the entire Project (including the Rental Affordable Housing Project, Ground Floor and all common elements), and operate the Rental Affordable Housing Project in accordance with the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. PURCHASE AND SALE.

1.1 Agreement to Buy and Sell.

1.1.1 Subject to the terms and conditions set forth herein, Seller agrees to sell and convey to Buyer, and Buyer hereby agrees to acquire and purchase from Seller, the Property.

1.1.2 As used herein, the term "Property" shall include the Property and all of Seller's right, title and interest in and to all entitlements, easements, rights, mineral rights, oil and gas rights, water, water rights, air rights, development rights and privileges appurtenant thereto. The Property does not include any deposits, fee credits, or reimbursements identified in that certain Memorandum of Agreement dated January 12, 2010 between Seller and FORA.

1.2 Purchase Price. The purchase price for the Property shall be One Dollar (\$1.00) (the "Purchase Price").

2. PROPERTY REPORTS.

DRAFT

Without representation or warranty of any kind, on or before the Effective Date, Buyer has received copies of documents that to Seller's actual knowledge relate to the Property and are in Seller's actual possession and control as listed in Exhibit B attached hereto (the "Property Reports"). Seller represents and warrants that to Seller's Knowledge (as defined below), the Property Reports provided are true and complete copies of the Property Reports. Wherever the phrase "Knowledge," "known to Seller," or "Seller's Knowledge" or any similar phrase stating or implying a limitation on the basis of knowledge appears in the Agreement, such phrase shall mean the actual knowledge of Daniel Turpin and Dean Mills, without any obligation of inquiry, it being understood by Buyer that Seller's knowledge shall not apply to, or be construed to include, (i) information or material which may be in the possession of Seller generally or incidentally, but of which Seller is not actually aware, or (ii) knowledge of any of the acts or omissions of predecessors in title to the Property or the management of the Property before Seller's acquisition of the Property. Notwithstanding the foregoing or anything to the contrary in this Agreement, Seller shall disclose to Buyer any material or significant acts or omissions of predecessors in title to the Property known to Seller that may affect the use or development of the Property for low income housing.

3. CONDITION OF TITLE.

3.1 Applicable Requirements. Conveyance of the Property at the Close of Escrow shall be, and Buyer shall accept the Property, subject to the following, each to the extent applicable to the Property, and each as maybe amended, modified, replaced and/or supplemented:

(a) the covenants, disclosures, conditions, rights and restrictions (including the right of reverter in favor of the County of Monterey) in the Quitclaim Deed from the Seller to Buyer, consistent with the form set forth in Exhibit C to this Agreement and approved by the Agency and Seller (the "Seller's Quitclaim Deed"), including, without limitation, the inclusion of or reference in Seller's Quitclaim Deed to those covenants, disclosures, conditions, rights and restrictions set forth in the Agency Deed (including use restrictions, rights of water, and rights of reverter as subordinated to approved lenders according to their terms), as referenced and incorporated into Seller's Quitclaim Deed to Buyer;

(b) the Assignment and Assumption Agreement to be entered into prior to or concurrently with this Agreement by and between the Seller, Buyer and Agency, consistent with the form set forth in Exhibit E and approved by the Agency and Seller; notwithstanding the foregoing, the parties shall submit the Assignment and Assumption Agreement to the Agency at least sixty (60) days before the Closing, in order to obtain Agency's approval thereof;

- (c) the DA;
- (d) the DDA;
- (e) the Seller Implementation Agreement;
- (f) the Redevelopment Plan;

(g) the Easement, Maintenance and Use Agreement (as defined in Section 5.7);

(h) the Revised Phase Three Entitlements; and

(i) all other covenants, conditions, restrictions, easements, rights-of-way, reservations, rights, agreements, encumbrances, notices, matters and title conditions existing in connection with the Property at the Close of Escrow, shown in a preliminary title report for the

DRAFT

Property (the "Title Report") that are approved by Buyer prior to Close of Escrow. All of the foregoing shall be referred to herein as the "Applicable Requirements."

4. ESCROW AND CLOSING.

4.1 Opening of Escrow. On or before three (3) business days after the Effective Date, Buyer shall open an escrow (the "Escrow") at First American Title Company ("Escrow Holder"), by depositing with Escrow Holder a copy of this fully executed Agreement, or executed counterparts hereof. As used in this Agreement, the "Close of Escrow" shall mean the date the Seller's Quitclaim Deed is recorded in the Office of the Recorder of the County (the "Official Records"), and "Closing Date" shall mean the date on which the Close of Escrow occurs. As referenced in Section 3.1(a), the Seller's Quitclaim Deed contains deed restrictions and covenants that, among other things, restrict the use of the Property for rental affordable housing purposes. The form of the deed restrictions and covenants contained in the Seller's Quitclaim Deed shall be subject to revision to the extent necessary to comply with any Applicable Requirements and/or any requirements of any governmental agency or authority.

4.2 Closing Date. The Close of Escrow shall occur within 180 days after Buyer obtains an award for Tax Credit Financing (as defined in Section 5.10), but no later than September 11, 2025 (the "Closing Date"). The Close of Escrow will occur on a date designated by Buyer upon at least ten (10) business days' written notice to Seller and Escrow Holder (the "Scheduled Closing Date").

4.3 Escrow Fees and Other Charges. At Close of Escrow, Buyer and Seller shall pay in accordance with County custom all costs of closing, as follows: (a) Seller shall pay the premium cost of the CLTA Title Policy (as defined in Section 5.1 below); (b) Seller and Buyer shall split all recording charges; (c) Seller and Buyer shall split Escrow Holder's fees; (d) Seller shall pay all County and City documentary and transfer taxes and fees; (e) property taxes and special assessments shall be prorated as of the Close of Escrow; and (f) other costs related to the transaction shall be split between Seller and Buyer.

4.4 Closing Deliveries. The Parties shall deposit the following with Escrow Holder prior to the Close of Escrow:

4.4.1 Seller's Deliveries. Seller shall deposit:

- (a) Seller's share of closing costs and prorations;
- (b) Seller's signed and acknowledged counterpart of the Quitclaim Deed;
- (c) Seller's signed and acknowledged counterpart of the Construction Management Agreement (as defined in Section 5.4);
- (d) Seller's signed and acknowledged counterpart of the CC&Rs (as defined in Section 5.6):

DRAFT

- (e) Seller's signed counterparts of the Owners Association Documents (as defined in Section 5.6);
- (f) Seller's signed assignment and bill of sale in the form of Exhibit D-3 attached hereto (the "Assignment");
- (g) Seller's, County's and Agency's signed and acknowledged counterparts of the Assignment and Assumption Agreement between Seller and Buyer and approved by the Agency under the DDA and the County under the DA (the "Assignment and Assumption Agreement");
- (h) Buyer's signed and acknowledged counterpart of the Easement, Maintenance and Use Agreement (as defined in Section 5.7);
- (i) a non-foreign certification satisfying the requirements of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in the form of Exhibit D-1 attached hereto (the "Non-Foreign Affidavit"); and
- (j) a California state tax withholding certificate satisfying the requirements of California Revenue and Taxation Code Sections 18805(d) and 26131 in the form of Exhibit D-2 attached hereto (the "California Tax Certificate").

4.4.2 Buyer's Deliveries. Buyer shall deposit:

- (a) the Purchase Price;
- (b) Buyer's share of closing costs and prorations as provided in Section 4.3 above;
- (c) Buyer's signed and acknowledged counterpart of the Quitclaim Deed;
- (d) Buyer's signed and acknowledged counterpart of the Construction Management Agreement (as defined in Section 5.4);
- (e) Buyer's signed and acknowledged counterpart of the CC&Rs (as defined in Section 5.6);
- (f) Buyer's signed counterparts of the Owners Association Documents (as defined in Section 5.6);

DRAFT

- (g) Buyer's signed and acknowledged counterpart of the Easement, Maintenance and Use Agreement (as defined in Section 5.7); and
- (h) Buyer's signed and acknowledged counterpart of the Assignment and Assumption Agreement.

4.4.3 Additional Instruments. Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Holder, the County, the Agency, Buyer's lender, the other party, or otherwise required to proceed to the Close of Escrow and consummate the sale of the Property in accordance with the terms of this Agreement.

4.5 Closing.

4.5.1 Actions by Escrow Holder. On the Closing Date, provided each of the conditions to the Parties' obligations have been satisfied or waived, Escrow Holder shall undertake and perform the following acts in the following order:

- (a) record the Assignment and Assumption Agreement in the Official Records;
- (b) record the Seller's Quitclaim Deed in the Official Records;
- (c) Record the CC&Rs in the Official Records;
- (d) record the Easement, Maintenance and Use Agreement in the Official Records;
- (e) pay any transfer and documentary taxes and fees;
- (f) deliver to Seller the Purchase Price;
- (g) deliver to Seller and Buyer conformed copies of all of the recorded documents and copies of all other signed documents;
- (h) deliver to the Title Policy covering the Property.

4.5.2 Prorations. Real property taxes and assessments for the Property shall be prorated as of the Close of Escrow on the basis of the most recent tax information. Said prorations shall be based on a 30-day month.

4.6 Failure to Close; Termination.

4.6.1 Buyer's Default. If Buyer defaults or breaches any obligation under this agreement prior to the Close of Escrow and such default or breach is not cured by Buyer upon ten (10) days' notice, Seller's sole and exclusive remedy shall be to terminate this agreement, in which

DRAFT

case Buyer will assign to Seller, in their as-is condition and without representation or warranty, all Project Plans (as defined in Section 5.3) prepared by or on behalf of Buyer for the Project.

4.6.2 Seller's Default. If the Close of Escrow does not occur on the Scheduled Closing Date (as may have been extended) due to a breach of this Agreement by Seller where such breach is not cured by Seller upon ten (10) days' notice, this Agreement shall not be terminated automatically, but only at Buyer's election, upon delivery to Escrow Holder and Seller of written notice of termination from Buyer if such breach is still uncured and outstanding on the date of such delivery, in which event Escrow Holder shall automatically return any sums deposited by Buyer and then held by Escrow Holder. If Buyer elects not to terminate this Agreement, then Buyer is entitled to specific performance; provided, however, Buyer must file an action for specific performance within sixty (60) days after the cure period has expired. Except as set forth herein, Buyer waives any and all other remedies for Seller's failure to perform, including, without limitation, special, punitive or exemplary damages and Buyer acknowledges that Seller shall in no event be liable therefor.

4.6.3 Cancellation Charges. If the failure to close is due to the default of one of the Parties, the defaulting party shall bear the sole and full liability for paying any escrow and title cancellation fees and charges.

5. ACTIONS PENDING CLOSING.

5.1 Title Policy. Buyer's obligation to proceed to the Close of Escrow shall be conditioned upon the commitment by Title Company to issue a CLTA Owner's Policy of Title Insurance (the "CLTA Policy") showing title to the Property vested in Buyer with liability equal to the Purchase Price, or such other amount as Buyer may request and is acceptable to the Title Company. Buyer may choose to obtain an ALTA Owners Extended Coverage Policy of Title Insurance (the "ALTA Policy") instead of a CLTA Policy, provided that Buyer will be responsible for the difference between the cost of the CLTA and ALTA Policy, and obtaining an ALTA policy will not be a condition of closing (the policy selected whether the CLTA Policy or the ALTA Policy is referred to herein as the "Title Policy"). In the event Buyer chooses an ALTA, Buyer will be responsible for any and all additional fees and costs associated with said policy, including but not limited to survey fees and expenses.

5.2 Access. From and after the Effective Date of this Agreement through the Close of Escrow, Buyer, its agents, employees and contractors shall have the right to enter the Project at reasonable times and upon reasonable prior notice for the purposes of conducting such investigations, inspections and tests of the Project as Buyer deems necessary in order to determine the condition and suitability of the Project. Buyer hereby agrees to indemnify, defend, protect and hold Seller harmless from and against any and all loss, expense, claim, damage and injury to person or property resulting from the acts or omissions of Buyer, its employees, consultants, engineers, agents and contractors on the Project in connection with and/or related to the performance of any investigation, inspection and/or test of the Project, provided that Buyer shall have no responsibility or liability for any act or omission of Seller or Seller's agents, employees or contractors and/or for any adverse condition or defect on or affecting the Project not caused by Buyer or its employees, agents, contractors, or, subcontractors but discovered or impacted during their inspections. Buyer

DRAFT

shall obtain and maintain until Close of Escrow: (i) worker's compensation insurance as may be required by law and (ii) primary liability insurance providing coverage on an occurrence basis in the amount of at least \$1 million insuring against any loss, damage, injury or liability in connection with any such entry and/or investigations, inspections and tests of the Property by Buyer and/or Buyer's Representatives. Such insurance shall name Seller as an additional insured, and otherwise shall be issued by an insurer and be in a form and with deductibles subject to Seller's reasonable prior approval. Prior to any such entry by Buyer or Buyer's Representatives, Buyer shall provide Seller with a certificate evidencing Buyer's liability insurance, and such certificate shall provide that such insurance shall not lapse or be cancelled, terminated, or modified without thirty (30) days' prior notice to Seller.

5.3 Project Plans. The parties agree that Buyer will be responsible for designing all site, engineering and architectural plans and related design documents for the Project, including the plans for the Ground floor in a cold shell condition, the Buildings, the parking lot and all related common areas (collectively, the "Project Plans"). Buyer will use commercially reasonable best efforts to obtain the approval of the Project Plans from the County, Agency and all applicable utility agencies and governmental agencies prior to the Closing. The Project Plans are subject to Seller's prior approval, which shall not be unreasonably withheld. Seller covenants to cooperate fully with, and upon Buyer's request, assist Buyer in the processing of any such items as relate to the Project including, without limitation, attending a reasonable number of meetings with governmental authorities relating to the same, and to the extent necessary or appropriate, executing all such items and materials. The provisions of this Section shall survive the Close of Escrow.

5.4 Construction Management Agreement. The parties agree that, after the Closing, Buyer will manage construction of the Project. Buyer and Seller will work with each other in good faith to agree on and finalize a construction management agreement to be signed at the Closing, establishing Buyer's and Seller's obligations in connection with the construction of and payment for the Project (the "Construction Management Agreement"), which agreement shall be subject to the reasonable approval of Buyer's investor limited partner and lenders. Subject to the foregoing, the Construction Management Agreement will include the following terms:

5.4.1 Construction Management. Buyer will be responsible for managing the construction of the Project, and will provide periodic status updates to Seller; provided, however, Seller may take over such management pursuant to Seller's takeover rights in Section 5.6. The Project shall be developed and constructed in accordance with: (i) all Applicable Requirements and all Applicable Laws, and any requirements of any governmental authority or agency in connection with the foregoing and (ii) in accordance with the Project Plans approved by Seller and by any governmental authority or agency.

5.4.2 Construction Contract. Upon approval of the Project Plans, Buyer will provide to Seller any bids Seller obtains for review, and the parties will work together to select a bid. Upon selecting a bid, Buyer and Seller will work with each other and the contractor on finalizing a construction contract for constructing the Project that Buyer will enter into with the Contractor (the "Construction Contract"). The Construction Contract will name Seller as an additional insured and third party beneficiary of all rights, warranties and guaranties under the Construction Contract, and shall provide that the Construction Contract shall be automatically

DRAFT

assigned to Seller if Seller exercises its takeover right (as described below). The Construction Contract is subject to Seller's prior written approval, which shall not be unreasonably withheld. To the extent feasible the Construction Contract will break out separately the cost and price of all portions of the work that (i) benefit the Ground Floor exclusively, (ii) benefit the Rental Affordable Housing Project exclusively, and (iii) benefit both the Ground Floor and Rental Affordable Housing Project. Notwithstanding anything herein to the contrary, for any portion of the Project is subject to prevailing wage under the Labor Code or any private court order applicable to East Garrison, Buyer will comply with all applicable prevailing wage requirements, rules, regulations, statutes and orders.

5.4.3 Budget. Upon approval of the Project Plans and receipt of the Project bids, the parties will work together to agree on a budget a budget and business plan for the Project on the Property detailing all estimated costs, expenses and fees associated with development and construction of the Project. Once approved by both parties, the Budget may not be materially amended, modified or supplemented at any time without each party's prior written approval which approval shall not be unreasonably withheld or delayed. In addition, Buyer will not authorize any change orders to the Contract that increase any Budget line item for any work on the First Floor or in the Common Areas by more than \$5,000, or the total Budget by more than \$25,000 without Seller's prior approval; however, Seller's approval is not required for any change orders that only impact the Rental Affordable Housing Project.

5.4.4 Cost Allocation. Buyer will pay all costs of work that benefits the Rental Affordable Housing Project exclusively, and Seller will pay all costs of work that benefits the Ground Floor exclusively. The parties will split the cost of all work that benefits both the Ground Floor and Rental Affordable Housing Project on a pro rata basis, calculated based on the square footage of the Ground Floor and Rental Affordable Housing Project.

5.4.5 Payment of Costs. Buyer shall have the right no more frequently than monthly, to deliver to Seller invoices from all contractors and other vendors performing work for the Project (each, a "**Vendor**"), or other reasonable evidence of all Project construction costs for the prior month (the "**Monthly Costs**"), together with a calculation of the portion payable by Seller pursuant to Section 5.4.4. Seller shall have five (5) business days after receipt of Buyer's Monthly Costs calculation to notify Buyer of any disputed items within the Monthly Costs, together with unconditional lien waivers for such Monthly Costs. Thereafter, Seller and Buyer will meet and confer to attempt to resolve any dispute. If, despite good faith efforts, the parties are unable to reach agreement on the Monthly Costs, then they will submit the dispute to a mutually agreed-upon licensed, professional engineer having experience in mixed use construction in Monterey County (the "**Engineer**"), whose decision shall be binding. Within fourteen (14) days after verification of the Monthly Costs in accordance with this Section 5.4.5, Seller will reimburse to Buyer the portion of the Monthly Costs for which Seller is responsible in accordance with Section 5.4.4.

5.5 Buyer's Insurance; Indemnification. For so long as Buyer is constructing the Project: (i) Buyer shall at its own cost obtain and maintain or cause to be obtained and maintained, in such form and content as required by Seller in consultation with Buyer, comprehensive general liability, course of construction and builder's risk, and completed

DRAFT

operations insurance, naming Seller and its members as Additional Insureds; and (ii) Buyer shall defend, indemnify and hold harmless Seller from any claims or liability arising out of the construction or development of Project, except to the extent arising from any acts or omissions of Seller.

5.6 Seller's Takeover Right. If, after the Closing, Buyer either (a) fails to satisfy any obligation by the deadline in the chart below, or ceases work on the Project for sixty (60) or more continuous days, subject to extension as a result of any Enforced Delay (as defined in Section 604 of the DDA), then Seller shall have the right, in its sole discretion, but subject to any rights of Buyer's investor limited partner or lenders set forth in the Construction Management Agreement, to assume control of construction and complete the Project, in which case Buyer will from time to time (but no more frequently than monthly) reimburse Buyer's portion of the actual costs in performing such work within thirty (30) days after Seller delivers Buyer reasonable evidence of such costs. In the event Seller assumes control of construction, Seller and Buyer will work together in good faith on a contract to reflect that Seller will step in as general contractor on the Project, which contract shall be subject to the reasonable approval of Buyer's investor limited partner and lenders. This takeover right will in no event have senior priority over Buyer's financing; provided, however, Seller agrees to work in good faith with Buyer and Buyer's lenders to enter into an intercreditor agreement with terms acceptable to Seller in its sole discretion. In the event of any conflict between the terms of this Section 5.6 and the terms of the Construction Management Agreement, the terms of the Construction Management Agreement shall control.

OBLIGATION	DEADLINE
COMMENCE PROJECT CONSTRUCTION	
COMPLETE PROJECT CONSTRUCTION	

5.7 Condo Map. Prior to the Closing, Seller will use commercially reasonable best efforts to process the County's approval and recordation of a condominium map for the Property that establishes (i) the Rental Affordable Housing Project as one condominium unit comprised of at least 66 residential rental units, (ii) the Ground Floor as up to four non-residential condominium units (the "Condo Map"). Seller will not cause the Condo Map to be recorded without Buyer's prior approval of the Condo Map, which shall not be unreasonably withheld. Buyer will cooperate fully with, and upon Seller's request, assist Seller in the processing approval and recordation of the Condo Map.

5.8 CC&Rs and Owners Association. Buyer and Seller agree to cooperate in forming the Owners Association in order to manage the Project and maintain the common elements of the Project upon completion. Therefore, prior to the Closing, Seller will prepare draft (i) conditions, covenants and restrictions for the Project (the "CC&Rs"), and (ii) articles of incorporation and bylaws for the Owners Association (the "Association Documents"), each of which shall be subject to the reasonable approval of Buyer and its investor limited partner and lenders. Buyer and Seller will work with each other and Buyer's investor limited partner and lenders in good faith to agree on and finalize the CC&Rs and Association Documents, to be signed on or prior to the Closing.

DRAFT

5.9 Easement, Maintenance and Use Agreement for Access. Seller covenants to enter into an easement, maintenance, and use agreement (“Easement, Maintenance and Use Agreement”) to allow Buyer access to and use of certain private roads and storm drain basins to be constructed, owned, and maintained by Seller (the “Street Improvements”), which Street Improvements may be transferred to a master association or homeowners association to be created by Seller. The Easement, Maintenance and Use Agreement will be subject to the reasonable approval of Buyer and its investor limited partner and lenders and will record on the earlier of (i) the transfer of the Street Improvements from Seller to the homeowners association and (ii) the Closing. Seller covenants to grant such easements to Buyer such that the total cost to Buyer for use, maintenance, and repair of the easement property does not exceed the Buyer's projected proportionate use of such property, assuming Seller fully develops its property as planned, and does not exceed the amount feasible given Buyer's budget and financing. Seller agrees that the total cost to Buyer for such easement may be paid in one lump sum capitalized payment of \$_____. Seller covenants not to reserve and/or impose any additional covenants, easements, CC&R's, homeowners' associations, assessment or special tax districts, rights, and rights-of-way, other than those existing on or in connection with the Property as of the Effective Date, on, over, under, across and/or through the Property without Buyer's prior written consent. Seller represents and warrants that Buyer shall not be a member of any master association, homeowners' association, or the like, created by Seller, including, but not limited to the association described in Condition of Approval No. 133.

5.10 Financing Budget. From and after the Effective Date of this Agreement through the Close of Escrow, Buyer shall process for closing all actions necessary or appropriate for the financing of the Property acquisition and Buyer's pro rata portion of the development and construction costs for the Project (the "Rental Affordable Housing Financing"), including, without limitation, securing the following: (a) Multi Family Housing Program (“MHP”) from the State Department of Housing and Community Development (“HCD”) and/or financing from Federal Home Loan Bank, (b) an allocation from the California Debt Limit Allocation Committee for tax exempt bonds and from the California Tax Credit Allocation Committee for the 4% low income housing tax credits (“Tax Credit Financing”), (c) a commitment from the County for Tax Increment Financing Funds (“TIF Funds”), (d) any required equity contributions or additional financing to resolve any deficit in the Rental Affordable Housing Financing, (e) all construction contracts for completion of East Garrison, and (f) all required regulatory agreements from all applicable governmental agencies.] The Rental Affordable Housing Financing shall be in an amount that is sufficient to fund all of Buyer's costs, expenses and fees covered by the Budget. Buyer shall consult regularly with Seller in Buyer's processing for closing of all such financing, and shall provide copies of such financing documents (and any drafts thereof) on Seller's written request. Such documents shall be approved by Seller, the County and the Agency in their reasonable discretion for compliance with the Applicable Requirements as a condition to Close of Escrow. Notwithstanding anything herein to the contrary, if Buyer fails to satisfy any of the following obligations by the stated deadline, the Seller shall have the right to terminate this Agreement, in which case Buyer will assign to Seller, in their as-is condition and without representation or warranty, all Project Plans (as defined in Section 5.3) prepared by or on behalf of Buyer for the Project:

DRAFT

OBLIGATIONS	START	FINISH
URBAN DESIGN PRE-APPLICATION DESIGN		
HCD APP PREPARATION		
HCD SUBMITTAL		
HCD AWARD		
BOND APPLICATION		
LOW INCOME TAX CREDIT APP		

In the event any obligation in this Section is not satisfied due to reason not controlled by Buyer, then Buyer shall follow the HCD schedule as posted on HCD's website for the following year.

5.10.1 Updates. Buyer agrees to send Seller monthly updates, no later than the first of each month, detailing (a) Buyer's progress and status on all financing applications, and (b) any changes to financing requirements, application deadlines and funding dates. In addition, Buyer will notify Seller at least 45 days before the Tax Credit financing application is due and deliver by email a copy of the Tax Credit financing application concurrently with its submittal to the California Tax Credit Allocation Committee.

6. CONDITIONS TO PURCHASE AND SALE.

6.1 Buyer's Conditions. The following conditions (the "Buyer's Conditions") are conditions precedent to Buyer's obligation to purchase the Property:

(a) The representations and warranties contained in Section 7.1 shall be true and correct as of the Close of Escrow, without any material adverse change, except for any material adverse change of which Seller has notified Buyer and Buyer has accepted in writing.

(b) Seller shall have performed those obligations under this Agreement to be performed on or before Close of Escrow.

(c) The Title Company shall be committed to issue the Title Policy.

(d) Buyer and Seller shall have obtained all consents, approvals, authorizations and exemptions required to be obtained by it in order to consummate the transactions contemplated herein and as specified in the Seller Implementation Agreement.

(e) No order or injunction restraining or preventing the transactions contemplated by this Agreement or the development of the Property shall be in effect, and no action, suit or proceeding challenging the transactions contemplated by this Agreement or adversely affecting the development of the Property, including, but not limited to eminent domain proceedings, shall be pending before any court of government agency or be overtly threatened by any governmental agency.

DRAFT

(f) The Rental Affordable Housing Financing shall have been obtained or irrevocably committed in accordance with the Budget.

(g) All necessary governmental, electoral and/or other approvals required to be obtained prior to commencement of construction shall have been obtained for the allocation to Buyer of the tax credits in connection with the Rental Affordable Housing Project.

(h) Buyer and Seller shall have reached agreement on all terms and conditions of the Construction Contract, to be signed at the Closing.

(i) Buyer and Seller shall have reached agreement on all terms and conditions of the Construction Management Agreement, to be signed at the Closing.

(j) Buyer and Seller shall have reached agreement on all terms and conditions of the CC&Rs, to be signed and recorded at the Closing.

(k) Buyer and Seller shall have reached agreement on all terms and conditions of the Owners Association Documents, to be signed at the Closing.

(l) Buyer and Seller shall have reached agreement on all terms and conditions of the Easement, Maintenance and Use Agreement, to be signed and recorded at the Closing.

(m) The Project Plans shall have been finally approved by all required governmental entities and all necessary permits for the construction of the Rental Affordable Housing Project shall be ready for issuance, subject only to payment of required fees.

(n) The County and Agency shall have approved the Revised Phase Three Entitlements.

(o) The Condo Map shall have recorded, such that the Property is a separate legal unit that can be conveyed to Buyer separate from the remainder of the Project.

Buyer's Conditions are for the benefit of and may be waived by Buyer. If any Buyer's Condition is not satisfied on the Scheduled Closing Date, then Buyer shall have the right, in its sole discretion, to terminate this Agreement, in which event neither party shall have any further obligations under this Agreement except (i) Buyer will assign to Seller, in their as-is condition and without representation or warranty, all Project Plans prepared by or on behalf of Buyer for the Project, and (ii) any post-termination covenants or obligations that expressly survive the Close of Escrow or the termination of this Agreement shall still apply.

6.2 Seller's Conditions. The following conditions (the "Seller's Conditions") are conditions precedent to Seller's obligation to sell the Property:

(a) The representations and warranties contained in Section 7.2 shall be true and correct as of the Close of Escrow, without any material adverse change, except for any material adverse change of which Buyer has notified Seller and Seller has accepted in writing.

DRAFT

(b) Buyer shall have performed those obligations under this Agreement to be performed on or before Close of Escrow.

(c) Buyer and Seller shall have obtained all consents, approvals, authorizations and exemptions required to be obtained by it in order to consummate the transactions contemplated by the Seller Implementation Agreement.

(d) No order or injunction restraining or preventing the transactions contemplated by this Agreement shall be in effect, and no action, suit or proceeding challenging the transactions contemplated by this Agreement shall be pending before any court or government agency or be overtly threatened by any government agency.

(e) The Rental Affordable Housing Financing shall have been obtained or irrevocably committed in the amount specified in the Budget.

(f) All necessary governmental, electoral and/or other approvals required to be obtained prior to commencement of construction shall have been obtained for the allocation to Buyer of the tax credits in connection with the Rental Affordable Housing Project.

(p) (g) Buyer and Seller shall have reached agreement on all terms and conditions of the Construction Contract, to be signed at the Closing.

(q) Buyer and Seller shall have reached agreement on all terms and conditions of the Construction Management Agreement, to be signed at the Closing.

(r) Buyer and Seller shall have reached agreement on all terms and conditions of the CC&Rs, to be signed and recorded at the Closing.

(s) Buyer and Seller shall have reached agreement on all terms and conditions of the Owners Association Documents, to be signed at the Closing.

(t) Buyer and Seller shall have reached agreement on all terms and conditions of the Easement, Maintenance and Use Agreement, to be signed and recorded at the Closing.

(i) The Project Plans shall have been finally approved by all required governmental entities and all necessary permits for the construction of the Rental Affordable Housing Project shall be ready for issuance, subject only to payment of required fees.

(j) The County and Agency shall have approved the Revised Phase Three Entitlements.

(k) The Condo Map shall have recorded, such that the Property is a separate legal unit that can be conveyed to Buyer separate from the remainder of the Project.

Seller's Conditions are for the benefit of and may be waived by Seller. If any Seller's

DRAFT

Condition is not satisfied on the Scheduled Closing Date, then Seller shall have the right, in its sole discretion, to terminate this Agreement, in which event neither party shall have any further obligations under this Agreement except (i) Buyer will assign to Seller, in their as-is condition and without representation or warranty, all Project Plans prepared by or on behalf of Buyer for the Project, and (ii) any post-termination covenants or obligations that expressly survive the Close of Escrow or the termination of this Agreement shall still apply.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS.

7.1 Seller's Representations and Warranties. Except as disclosed to Buyer in the Property Reports and otherwise in writing, and except as contained in any document, record or report generally available to the public, Seller hereby represents, warrants and covenants to Buyer as follows, which representations, warranties and covenants shall be true, complete and correct as of the Effective Date and the Closing Date, and shall survive the Close of Escrow for a period of one (1) year:

(a) Seller is a Delaware limited liability company, duly organized and in good standing under the laws of the State of Delaware with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Agreement. Seller is the sole owner in fee simple of the Property and has the full right, capacity, power and authority to enter into and carry out the terms of this Agreement. Except as set forth in a recent preliminary title report including the Property, and except as otherwise contemplated in this Agreement, Seller has not alienated, encumbered, transferred, leased, assigned or otherwise conveyed its interest in the Property or any portion thereof, nor entered into any agreement to do so, nor shall Seller do so prior to the Close of Escrow. The entering into and performance by Seller of the transactions contemplated by this Agreement will not violate or breach any agreement, covenant or obligation binding on Seller. This Agreement has been duly authorized and executed by Seller and the parties signing on behalf of Seller, and upon delivery to and execution by Buyer shall be a valid and binding agreement of Seller.

(b) Seller and any entity or person that owns or controls Seller are not bankrupt or insolvent under any applicable Federal or state standard, have not filed for protection or relief under any applicable bankruptcy or creditor protection statute and have not been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute.

(c) Seller is not entering into the transactions described in this Agreement with intent to defraud any creditor or to prefer the rights of one creditor over any other.

(d) Seller has not entered into any written unrecorded agreement, lease or contract that would be binding against the Property after the Close of Escrow.

(e) To Seller's Knowledge, Seller has disclosed all material written reports and documents in Seller's actual possession and control that pertain to the Property.

(f) To Seller's Knowledge, the Property nor its operation violates in any way

DRAFT

any applicable laws, ordinances, rules, regulations, judgments, orders, or covenants, conditions and restrictions, whether federal, state, local or private.

(g) There is no pending or threatened private or governmental litigation by any governmental authority or person against Seller relating to the Property that might, if it and all other pending and threatened litigation were adversely determined, result in a material adverse change in the Property or its operation or that challenges the validity of or otherwise materially adversely affects the transactions contemplated by this Agreement.

(h) Seller has no Knowledge of any unrecorded or undisclosed legal or equitable interest in the Property owned or claimed by anyone other than Seller. Seller has no Knowledge that anyone will, at the Closing Date, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(i) Buyer is aware that, in connection with the Property's former use as the Fort Ord Army Base, the Property was subject to environmental conditions that were required to be remediated, as more particularly disclosed in the FORA Deed, Agency Deed and other documents within the Title Report. To Seller's Knowledge, all required remediation has been completed and approved by the applicable governmental authorities prior to the Effective Date. Except for the foregoing, to Seller's Knowledge, the Property is not in violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene or to the environmental conditions on, under, or about the Property, including but not limited to soil and groundwater conditions. To Seller's Knowledge, there are no environmental, health or safety hazards on, under, or about the Property, including but not limited to soil and groundwater conditions. Neither Seller nor to Seller's Knowledge has any third party (including but not limited to Seller's predecessors in title to the Property) used or installed any underground tank or used, generated, manufactured, treated, stored, placed, deposited, or disposed of on, under or about the Property or transported to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials ("Hazardous Materials"), which for purposes of this Agreement includes, but is not limited to, substances defined as "hazardous substances, hazardous materials, or toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 United States Code §§9601, et seq.); the Hazardous Materials Transportation Act (49 United States Code §§1801, et seq.); the Resource Conservation and Recovery Act (42 United States Code §§6901, et seq.); the substances defined as "hazardous wastes" in California Health and Safety Code §25117 or as "hazardous substances" in California Health and Safety Code §25316; and the chemicals known to cause cancer or reproductive toxicity as published in the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code §25249.5, et seq.); and in the regulations adopted and publications promulgated under each of the aforesaid laws. Seller has no Knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Material.

7.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows, which representations and warranties shall be true, complete and correct as of the Effective Date and the Closing Date, and shall survive the Close of Escrow for a period of one (1) year:

DRAFT

(a) Buyer has the capacity and full power and authority to enter into and carry out the agreements contained in, and the transactions contemplated by, this Agreement, and that this Agreement has been duly authorized and executed by Buyer and, upon delivery to and execution by Seller, shall be a valid and binding Agreement of Buyer. The entering into and performance by Buyer of the transactions contemplated by this Agreement will not violate or breach any agreements, covenant or obligation binding on Buyer.

(b) Buyer is a nonprofit corporation qualifying under Internal Revenue Code section 501(c)(3), the charitable mission of which is consistent with the acquisition, development and operation of affordable housing as set forth in its current Form 1023 filed with the Internal Revenue Service and its current Determination letter.

(c) Buyer is not bankrupt or insolvent under any applicable federal or state standard, has not filed for protection or relief under any applicable bankruptcy or creditor protection statute relief under any applicable bankruptcy or creditor protection statute and has not been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute.

(d) Buyer is a qualified nonprofit organization meeting the requirements of IRC Section 42(h)(5)(C).

(e) Buyer has not had any "negative points" (as such term is used in the Regulation of the California Tax Credit Allocation Committee or the Procedures of the California Debt Limit Allocation Committee) assessed against it.

(f) Buyer is not in default of any agreement with respect to any other property which has been awarded Tax Credits or tax exempt financing.

(g) There has not been an IRS Form 8611 filed with respect to any project in which Buyer's general partner has a direct or indirect interest.

7.3 Buyer's Covenants. In addition to all other covenants of Buyer contained in this Agreement, Buyer shall perform the following covenants:

(a) Financing. From and after the Effective Date of this Agreement, Buyer shall use all commercially reasonable efforts to obtain the commitment for the Rental Affordable Housing Financing in the amounts sufficient to acquire and construct the Project as specified in the Budget.

(b) Compliance. In connection with this Agreement, and the transactions and activities contemplated therein, including but not limited to the Buyer's development of the Rental Affordable Housing Project, Buyer shall fully comply with all Applicable Requirements and all Applicable Laws, and shall not, by any act or omission, cause Seller to fail to comply with any Applicable Requirements and Applicable Laws. "Applicable Laws" means all applicable federal, state, and local laws, rules, regulations, ordinances, codes, orders, and decrees.

DRAFT

(c) Transfers. Prior to the Close of Escrow, Buyer shall not engage in any Transfer without the prior written consent of Seller, which Seller may withhold in its sole and absolute discretion. As used in this Agreement, "Transfer" means (i) any transfer, sale, lease (other than tenant leases), option, encumbrance or other conveyance of all or any portion of the Property; (ii) any direct or indirect transfer, sale, encumbrance, assignment or other conveyance, whether in a single transaction or a series of transactions, of 25% or more, cumulatively, of the direct or indirect beneficial ownership interests in Buyer and/or any successor or assign of Buyer and/or (iii) the suspension or termination of Buyer's involvement in and/or ultimate decision-making authority for the Rental Affordable Housing Project. Any Transfer that does not comply with the requirements of this Section shall be null and void, and shall constitute an incurable default by Buyer under this Agreement. Notwithstanding the foregoing, Seller acknowledges and agrees that the Buyer may, without Seller's approval, either (i) after the Effective Date of this Agreement convey its rights under this Agreement, or (ii) after the Closing Date convey title to the Property, to any limited partnership in which Buyer (or any Affiliate of Buyer) is the general partner and in which one or more tax credit investors are limited partners. In addition, such investors may transfer their limited partnership interests to other investors as limited partners without Seller's consent or approval. Buyer or its Affiliate shall retain control over day to day management of the development of the Project; provided, however, that in the event of a material uncured default of the general partner pursuant to Buyer's limited partnership agreement, with the advanced written consent of Seller and Agency (not to be unreasonably withheld), such tax credit partners may replace Buyer as general partner and substitute a new general partner, provided that the replacement general partner (i) agrees to fully assume Buyer's obligations related to the Project as general partner of Buyer or otherwise, (ii) has sufficient experience in the development of mixed use projects containing rental affordable housing projects similar to the Project located on the Property; and (iii) is financially sound and solvent. For purposes of this Section 7.3(c), the term "Affiliate" shall mean any entity in which Buyer, directly or indirectly, owns fifty percent (50%) or more of the ownership interests or has control of such entity. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of such Affiliate, whether through ownership of voting securities, by contract or otherwise.

(d) Rental Affordable Housing Project Breakdown. Buyer shall operate the Rental Affordable Housing Project as very low income units and low income units, in accordance with the DDA (the "Rental Affordable Housing Breakdown").

(e) Potable Water Allotment. The East Garrison Specific Plan provides a formula for the amount of potable water that the Property is entitled annually. The allotment under the Specific Plan for the Rental Affordable Housing Project is 15.18 acre feet of potable water annually. Should the Property's consumption exceed or be projected to exceed 15.18 acre feet in a given year, the Buyer will use all commercially reasonable efforts to reduce water consumption to less than 15.18 acre feet.

The provisions of this Section 7.3 shall survive the Close of Escrow.

7.4 Seller's Covenants. In addition to all other covenants of Seller contained in this Agreement, Seller shall perform the following covenants:

DRAFT

(a) No Amendment or Agreements. On or after the Effective Date, Seller shall not (i) amend or waive any right under any of the agreements referenced in the Recitals of this Agreement or (ii) enter into any lease or other agreement of any type affecting the Property that would survive the Closing Date, without Buyer's prior written consent, which consent shall not be unreasonably withheld.

(b) Insurance. Through the Closing Date, Seller shall maintain or cause to be maintained in full force and effect comprehensive general liability casualty and other insurance on the Property.

(c) Maintenance and Operation. Seller, at its sole cost and expense, shall operate the Property in substantially the same manner as it has operated the Property prior to the Effective Date and shall maintain and keep the Property such that on the Closing Date the Property is in at least as good condition and repair as on the Effective Date, reasonable wear and tear excepted. Seller may not make any material alterations to the Property without Buyer's prior written consent.

(d) Mechanics' Liens. Except for materials, supplies or work provided or ordered for the Property at the request of or for the account of Buyer, on or before the Closing Date, Seller must (i) pay for all materials, supplies, and work provided or ordered for the Property for which a labor, materialman's, or mechanics' lien may be claimed under applicable law and (ii) if required by the Title Company, provide the Title Company with such indemnifications or security as it may require to insure title to the Property at the Closing without exception for any unrecorded labor, materialman's, or mechanics' claim of lien.

(e) No Marketing. Seller agrees not to market, show or list the Property to any other prospective buyer during the term of this Agreement.

(f) Notification. Seller shall promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that makes any representation or warranty of Seller under this Agreement untrue or misleading.

8. EAST GARRISON PROCESSING. From and after the Effective Date, Seller shall have the right to process all applications, plans, maps, agreements, documents, approvals and other instruments or entitlements necessary or appropriate in Seller's sole discretion in connection with all portions of East Garrison still owned by Seller other than the Property ("Seller's Remaining Property") so long as it does not restrict or limit Buyer's ability to develop Project (including the Rental Affordable Housing Project) as contemplated in this Agreement. Buyer shall cooperate fully with and, upon Seller's request, assist Seller in the processing of any such items including, without limitation, attending a reasonable number of meetings with governmental authorities relating to the same, and to the extent necessary or appropriate, executing all such items and materials. The provisions of this Section shall survive the Close of Escrow.

9. AS-IS SALE. Buyer represents, warrants and covenants to Seller as of the Close of Escrow that Buyer independently has inspected the Property, or has had full opportunity to do

DRAFT

so, and that Buyer has elected to go forward with the purchase of the Property based upon such examinations and inspections as Buyer has deemed appropriate to make. Buyer agrees that except as otherwise set forth in this Agreement, Buyer will accept the Property in its condition at Close of Escrow AS-IS, WHERE-IS and WITH ALL ITS FAULTS, including, without limitation, any faults and conditions specifically referenced in this Agreement. Buyer acknowledges and agrees that, except as otherwise set forth in this Agreement, has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, or past, present or future, concerning or with respect to the Property, including, without limitation, any of the following:

- (a) the habitability, suitability or fitness for a particular purpose of the Property;
- (b) the manner and quality of the Property;
- (c) the nature, quality or condition of the Property, including, without limitation, the water, soil and geology;
- (d) compliance with any environmental protection, pollution, land use, or zoning laws, rules, regulations, orders or requirements, including, but not limited to, the Endangered Species Act;
- (e) the presence or absence of hazardous or toxic materials or substances at, on, under, or adjacent to the Property;
- (f) the fact that all or a portion of the Property may be located on or near an earthquake fault line or located in an Alquist-Priolo special study zone and the resulting damage of past and/or future earthquakes;
- (g) the availability or provision of utilities or transportation to or for the Property except to the extent Seller is obligated to provide utilities in accordance with the Easement, Maintenance and Use Agreement;
- (h) status of title (other than Seller's duty to convey fee simple title to Buyer at closing);
- (i) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water;
- (j) the value, profit potential, compliance with the plans and specifications, size, location, age, use, design, quality, description, suitability, structural integrity, operation, title to, or physical or financial condition of the Property or any portion thereof, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof;
- (k) the condition or use of the Property or compliance of the Property with any or all

DRAFT

past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire, zoning or subdivision ordinances, codes or other similar laws,

- (l) the existence or non-existence of underground storage tanks; or
- (m) any other matter concerning or relating to the Property.

Buyer further acknowledges and agrees that any information made available to Buyer or provided or to be provided by or on behalf of Seller with respect to the Property, including, without limitation, the Property Reports, was obtained from a variety of sources and that neither Seller nor any of its agents, employees, representatives, consultants or contractors has made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information except as may otherwise be provided herein. Buyer acknowledges and agrees that (i) Seller has acquired the Property by foreclosure; (ii) Seller was not involved in the operation of the Property before Seller's acquisition of the Property; and (iii) Seller's Knowledge shall not apply to, or be construed to include, information or material which may be in the possession of Seller generally or incidentally, but of which Seller does not have Knowledge.

Except for the liability of Seller for (a) any default under this Agreement or any other agreement among the parties, (b) any fraudulent act or intentional misrepresentation by Seller, (c) breach of the representations and warranties contained herein, or (d) failure to comply with any post-closing covenant or obligation under this Agreement (collectively, the "**Excepted Matters**"), Buyer waives its right to recover from and fully and irrevocably releases Seller and Seller's past, present and future spouses, heirs, executors, administrators, representatives, predecessors-in-interest, successors-in-interest, assigns, lenders, agents, employees, attorneys, officers, directors, shareholders, affiliates, subsidiaries, parent corporations, sister companies, partners, members, managers, managers and co-venturers (collectively, the "**Released Parties**") from any and all claims (including without limitation damages, losses, liabilities, penalties, fines, liens, judgments, costs or expenses whatsoever including attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that Buyer may now have or hereafter acquire against Seller or any of the Released Parties arising from or related to the Property, including, without limitation, the physical condition or status of the Property, the condition of title, any soils and(or) ground conditions, and/or Hazardous Substance(s).

Buyer specifically waives the provisions of California Civil Code Section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

Buyer and Seller hereby specifically acknowledge that (i) each has carefully reviewed this

DRAFT

Section 9 and discussed its import with legal counsel, and (ii) that the provisions of this subsection are a material part of this Agreement without which Seller would not have entered into this Agreement with Purchaser, and (iii) this Release is given by Buyer to Seller for valuable consideration, the sufficiency of which is hereby acknowledged.

Buyer _____

Seller _____

10. 2081 PERMIT. On April 10, 2015, the California Department of Fish and Wildlife issued Incidental Take Permit No. 2081-2013-003-04 to Seller for take of California tiger salamander associated with the East Garrison Project, which permit was amended by Minor Amendment No. 1 issued : November 4, 2015 (collectively, the “**2081 Permit**”). All work within East Garrison must be performed in compliance with the 2081 Permit. Therefore, Seller hereby authorizes Buyer to operate under the 2081 Permit as an agent authorized to perform the work on Seller’s behalf. Without limiting the indemnity in Section 10.2 of the Agreement, Buyer shall defend, indemnify and hold harmless Seller from any claims or liability for any violations or noncompliance with the 2081 Permit arising out of the construction or development of the Project.

11. CONDEMNATION. If, prior to the Close of Escrow, any portion of the Property is taken by any entity by condemnation or with the power of eminent domain, or if the access thereto is reduced or restricted thereby (or is the subject of a pending taking which has not yet been consummated), Seller shall immediately notify Buyer of such fact. In such event, each party shall have the right, in each party’s sole discretion, to terminate this Agreement and the Escrow upon written notice to the other party and Escrow Holder not later than seven (7) days after receipt of Seller’s notice thereof to Buyer. If this Agreement and the Escrow are so terminated, all documents and funds shall be returned by Escrow Holder to each party who so deposited the same, and neither party shall have any further rights or obligations hereunder, except for payment of escrow cancellation fees which shall be borne equally by Buyer and Seller.

12. BROKERS. Buyer and Seller each represents and warrants to the other that it has not engaged any real estate broker or finder in connection with this transaction. Seller agrees to indemnify, defend and hold Buyer harmless against any loss, liability, damage, cost, claim or expense (including reasonable attorneys’ fees) incurred by reason of any brokerage fee, commission or finder’s fee which is payable or alleged to be payable to any broker or finder by or on the basis of any alleged acts by Seller. Buyer agrees to indemnify, defend, and hold Seller harmless against any loss, liability, damage, cost, claim or expense (including reasonable attorneys’ fees) incurred by reason of any brokerage fee, commission or finder’s fee which is payable or alleged to be payable to any broker or finder by or on the basis of any alleged acts by Buyer. The representations, warranties, indemnities and agreements contained in this Section 13 shall survive the Close of Escrow or earlier termination of this Agreement.

13. GENERAL PROVISIONS.

13.1 Counterparts. This Agreement may be executed in any number of identical counterparts and each counterpart shall be deemed to be an original document. All executed counterparts together shall constitute one and the same document, and any counterpart signature

DRAFT

pages may be detached and assembled to form a single original document. An electronic of a counterpart signature page shall be considered the equivalent of an ink original for all purposes.

13.2 Entire Agreement; Amendment. This Agreement, together with all exhibits hereto and documents referred to herein, if any, constitute the entire agreement among the Parties hereto with respect to the subject matter hereof, and supersede all prior understandings or agreements. This Agreement may be modified only by a writing signed by both Parties. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement whether or not actually attached.

13.3 Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the Parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

13.4 Choice of Law. This Agreement and each and every related document are to be governed by, and construed in accordance with the internal laws of the State of California.

13.5 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act, under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required, under this Agreement. No provision of this Agreement shall be deemed waived by either party unless expressly waived in writing signed by the waiving party. No waiver shall be implied by delay or any other act or omission of either party. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other consistent remedies unless they are expressly excluded.

13.6 Time of the Essence. Time shall be of the essence as to all dates and times of performance, whether they are contained herein or contained in any escrow instructions to be executed pursuant to this Agreement.

13.7 Attorneys' Fees. If any party hereto institutes an action or proceeding for a declaration of the rights of the Parties under this Agreement, for injunctive relief, for an alleged breach or default of, or any other action arising out of this Agreement, to the transactions contemplated hereby, or if any party is in default of its obligations pursuant thereto, whether or not suit is filed or prosecuted to final judgment, the non-defaulting party or prevailing party shall be entitled to its actual attorneys' fees and to any court costs incurred, in addition to any other damages or relief awarded. The "prevailing party," for purposes of this Agreement, shall be deemed to be that party which obtains substantially the relief sought, whether by dismissal or award or judgment.

DRAFT

13.8 Assignment; Successors and Assigns. Except as permitted in Section 7.3(c) hereof, Buyer shall not transfer, encumber, sell or assign whether by operation of law or otherwise ("Assign") all or any portion of this Agreement and/or its rights and obligations hereunder without the express prior written consent of Seller, which Seller may withhold in its sole and absolute discretion. Any Assignment that does not strictly comply with the requirements of this Section shall be null and void. Subject to the foregoing provisions of this Section, this Agreement shall be binding upon and shall inure to the benefit of successors and permitted assigns of the Parties to this Agreement.

13.9 Notices. All notices, consents, requests, demands or other communications to or upon the respective Parties shall be in writing and shall be effective for all purposes upon receipt on any work day before 5:00PM local time and on the next work day if received after 5:00PM or on other than a business day, including, without limitation, in the case of: (i) personal delivery; (ii) delivery by messenger, express or air courier or similar courier; (iii) delivery by United States first-class certified or registered mail, postage prepaid; and (iv) transmittal by email, addressed as follows:

If to Seller:

UCP East Garrison, LLC
6700 Koll Center Parkway, Suite 210
Pleasanton, CA 94566
Phone: (925) 300-6658
Email: dan.turpin@centurycommunities.com

With a copy to:

Century Communities
4695 MacArthur Court, Suite 300
Newport Beach, CA 92660
Attn: Holly Traube Cordova, Esq.
Phone: (661) 487-6080
Email: holly.cordova@centurycommunities.com

If to Buyer:

CHISPA, inc.
295 Main Street, Suite 100
Salinas, CA 93901
Attention: Director of Real Estate Development
Phone: (831) 757-6251 ext. 141
Email: _dcleary@chispahousing.org

With a copy to:

Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attention: Lauren Fechter
Phone: (415) 781-6600, ext. 5
Email: lfechter@gubbandbarshay.com

If to Escrow Holder:

First American Title Company
4750 Willow Road, Suite 275

DRAFT

Pleasanton, CA 94588
Attention: Tammi Buna
Email: tbuna@firstam.com

In this section "work days" means days other than Saturdays, Sundays, and federal and state legal holidays. Either party may change its address by written notice to the other in the manner set forth above. Receipt of communications by United States first class or registered mail shall be sufficiently evidenced by return receipt.

13.10 No Third Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the Parties hereto, and no third party is intended to or shall have any rights hereunder.

13.11 No Partnership. Nothing in this Agreement shall be construed as making Buyer and Seller joint venturers or partners.

13.12 Natural Hazard Disclosure Statement. Buyer shall receive from Seller a Natural Hazard Disclosure Statement pertaining to the Property (the "Disclosure Statement"). Buyer acknowledges that the Disclosure Statement is being delivered pursuant to the Natural Hazard Disclosure Act (California Government Code Sections 8589.3, 8589.4, and 51183.5, California Public Resources Code Sections 2621.9, 2694, and 4136, and California Civil Code Section 1102.6c(d), and any successor statutes or laws, as amended (the "Disclosure Act").

13.13 Assignment and Assumption Agreement; Quitclaim Deed. Nothing in this Agreement shall be deemed to waive, modify or otherwise excuse Buyer from compliance with the provisions of the Assignment and Assumption Agreement or the Quitclaim Deed, and the rights and remedies of the Agency and Seller under said documents. In the event of any conflict between the provisions in this Agreement and any provision in the Assignment and Assumption Agreement, the provision in the Assignment and Assumption Agreement shall prevail.

13.14 Terminology; Interpretation. The captions beside the section numbers of this Agreement are for reference only and shall not modify or affect this Agreement in any manner whatsoever. Wherever required by the context, any gender shall include any other gender, the singular shall include the plural, and the plural shall include the singular. The Parties acknowledge that each party has reviewed or has had the opportunity to review with counsel this Agreement and agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. The Parties further agree that no drafts of this Agreement or any amendments or exhibits hereto shall be used to interpret the meaning of this Agreement or any provision thereof, or the Parties' intent.

13.15 Calendar Days; Business Days. All time periods set forth herein in terms of "days" refer to calendar days, unless specifically otherwise provided; however, whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time (or by a particular date) that ends (or occurs) on a non-business day, then such period (or date) shall be extended until the immediately following business day. As used

DRAFT

herein, “**business day**” means any day other than a Saturday, Sunday or federal or California State holiday

13.16 Jurisdiction and Venue. The Parties acknowledge and understand that the making of this Agreement is in Monterey County, California. Any suit, arbitration, mediation or other remedial process shall be filed and maintained in Monterey County, California.

13.17 Reliance on Authority of Person Signing Agreement. If a party is not a natural person, then no other party will (a) be required to determine the authority of the individual signing this Agreement to make any commitment or undertaking on behalf of such entity or to determine any fact or circumstance bearing upon the existence of the authority of such individual, or (b) be responsible for the application or distribution of proceeds paid or credited to individuals signing this Agreement on behalf of such entity.

13.18 Waiver of Jury Trial. To the fullest extent now or hereafter permitted by law, each party to this Agreement hereby expressly waives any right to trial by jury of any claim, demand, action or cause of action (i) arising under this Agreement or any other instrument, document or agreement executed or delivered in connection herewith, or (ii) in any way connected with or related or incidental to the dealings of the Parties hereto or any of them with respect to this Agreement or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether sounding in contract or tort or otherwise. Each party hereby agrees and consents that any such claim, demand, action or cause of action shall be decided by court trial without a jury. Notwithstanding the foregoing to the contrary, if the jury trial waiver contained herein shall be held or deemed to be unenforceable, each Party expressly agrees to submit to judicial reference pursuant to California Code of Civil Procedure Sections 638 through 645.1 any claim, demand, action or cause of action arising hereunder for which a jury trial would otherwise be applicable or available. Pursuant to such judicial reference, the Parties agree to the appointment of a single referee and shall use their good faith efforts to agree on the selection of a referee. If the Parties are unable to agree on a single referee, a referee shall be appointed by the court under California Code of Civil Procedure Sections 638 and 640 to hear any disputes hereunder in lieu of any such jury trial. Each party acknowledges and agrees that the appointed referee shall have the power to decide all issues in the applicable action or proceeding, whether of fact or law, and shall report a statement of decision thereon; provided, however, that any matters that would not otherwise be the subject of a jury trial will be unaffected by this waiver and the agreements contained herein. The Parties agree that the provisions contained herein have been fairly negotiated on an arms-length basis, with both sides agreeing to the same knowingly and being afforded the opportunity to have their respective legal counsel consent to the matters contained herein. Any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the Parties hereto to the waiver of their right to trial by jury and the agreements contained herein regarding the application of judicial reference in the event of the invalidity of such jury trial waiver. The provisions of this section shall survive the closing or termination of this Agreement.

(Signatures contained on following page)

DRAFT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

UCP EAST GARRISON, LLC, a
Delaware limited liability company

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

By: _____
Daniel Turpin
Vice President

BUYER:

COMMUNITY HOUSING
IMPROVEMENT SYSTEMS AND
PLANNING ASSOCIATION, INC., a
California nonprofit public benefit
corporation

By: _____
Name:
Title:

DRAFT

ACCEPTANCE BY ESCROW HOLDER

Escrow Holder hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement for Purchase and Sale of Real Property and Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____

FIRST AMERICAN TITLE COMPANY

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT A

PROPERTY DESCRIPTION

Real property in the unincorporated area of the County of Monterey, State of California, described as follows:

DRAFT

EXHIBIT B

LIST OF PROPERTY REPORTS

The Property Reports consist of the following:

1. Preliminary Title Report/Commitment;
2. Listing and Copies of Title Exceptions;
3. ALTA Survey/Endorsements;
4. Tentative Tract Maps with Conditions of Approval;
5. Final Recorded Tract Map;
6. Specific Plan/EIR;
7. Commission/Council Minutes of Approval;
8. Environmental Assessment Report as set forth in the Army's Track Zero Finding of Suitability to Transfer (FOST); and
9. Soils Assessment Report.
10. Summary of Proposed Changes to Phase 3 of East Garrison – January 2023
11. MOU
12. Improvement Plans
13. Draft Parking Study
14. DDA Water Study
15. EGSP Pattern Book

DRAFT

EXHIBIT C

FORM OF QUITCLAIM DEED

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

Attn: _____

APN: _____

The Undersigned Grantor(s) Declare(s):

CITY TRANSFER TAX \$

DOCUMENTARY TRANSFER TAX \$ _____

SURVEY MONUMENT FEE \$

-

- ☒ computed on the consideration or full value of property conveyed, OR
☐ computed on the consideration or full value less value of liens
and/or encumbrances remaining at time of sale,
☒ unincorporated area; ☐ City of Unincorporated Area, and

SURVEY MONUMENT FEE \$ _

QUITCLAIM DEED

UCP EAST GARRISON, LLC, a Delaware limited liability company ("Grantor") hereby remises, releases and quitclaims to _____, a _____ ("Grantee"), all of Grantor's right, interest, title and claim to the real property situated in the County of Monterey, State of California, more particularly described in Exhibit A attached hereto (the "Property").

SUBJECT, however, to easements and encumbrances of record, the Redevelopment Plan for the Fort Ord Redevelopment Project Area adopted by Ordinance No. 4136 of the Board of Supervisors of the County of Monterey on February 19, 2002, hereinafter called the "Redevelopment Plan," which is incorporated and made a part of this Quitclaim Deed with the same force and effect as though set forth in full herein, and the Disposition and Development Agreement by and between the Redevelopment Agency of the County of Monterey ("Agency") and East Garrison Partners I, LLC, a California limited liability company ("EGP"), dated as of October 4, 2005, a Memorandum of which was recorded in the Official Records of the Monterey

DRAFT

County Recorder ("Official Records") on May 16, 2006 under Recorder's Series number 2006044222, as implemented by and assigned to and assumed by Grantor by that certain Implementation Agreement by and between the Agency and Grantor dated June 28, 2011, a copy of which is on file with the Secretary of the Agency. Both the Disposition and Development Agreement and the June 28, 2011 Implementation Agreement are hereinafter referred to as the "DDA," which DDA is incorporated and made a part of this Quitclaim Deed with the same force and effect as though set forth in full herein, and the certain conditions, covenants and restrictions as follows:

Section 1. Mandatory Language in All Subsequent Deeds and Leases.

The Grantee covenants and agrees, for itself and its successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property and the Improvements thereon.

All deeds, leases or contracts made relative to the Property and the Improvements thereon or any part thereof shall contain or be subject to substantially the following non-discrimination clauses:

- (a) In deeds: "The grantee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."
- (b) In leases: "The lessee herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through the lessee, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee, or any person claiming under or

DRAFT

through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants or vendees in the land herein leased."

- (c) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee, or any person claiming under or through the transferee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants or vendees in the land."

Section 2. Agency/County of Monterey Right of Reverter.

Subject to the terms of Sections 512 and 513 and Enforced Delays under 604 of the DDA, the Agency and/or the County of Monterey shall have the right to re-enter and take possession of the Property or any portion thereof from Grantee with all improvements thereon (the "Revested Parcel"), and revert in the Agency and/or the County of Monterey the estate previously conveyed to the Grantee ("Right of Reverter") if after conveyance to Grantee of title to the Property or such portion thereof and prior to the issuance of the Certificate of Completion therefore pursuant to Section 320 of the DDA, the Grantee shall, as to the Revested Parcel:

- a. Fail to commence construction of approved improvements on the Property or such portion thereof within the time set forth in the Partial Assignment and Assumption Agreement by and between Grantor and Grantee of even date herewith (unless such failure results from an Enforced Delay under Section 604 of the DDA or was caused by the Grantor or County);
- b. Once construction has been commenced, fail to diligently prosecute construction of the improvements through completion within the applicable time set forth in the Partial Assignment and Assumption Agreement by and between Grantor and Grantee of even date herewith, where such failure has not been cured within ninety (90) days after written notice thereof from the Agency and/or the County of Monterey (unless such failure results from an Enforced Delay under Section 604 of the DDA or was caused by the Grantor or County);
- c. Abandon or substantially suspend construction of the improvements for a period of ninety (90) days after written notice of such abandonment or suspension from the Agency and/or the County of Monterey or, if such failure cannot be reasonably cured within such ninety (90) day period, failure to reasonably act to cure such failure in a timely manner (unless such abandonment or failure was caused by the Grantor or County or resulted from an Enforced Delay under Section 604 of the DDA);

DRAFT

- d. Without the prior written consent of Agency and/or the County of Monterey, directly or indirectly, voluntarily or involuntarily sell, assign, transfer, dispose of or further encumber or agree to sell, assign, transfer, dispose of or further encumber or suffer to exist any other lien against all or any portion of or any interest in the Property or portion thereof, except for any sale, transfer, disposition, assignment or encumbrance that is expressly permitted by the terms of the DDA; and
- e. If any event under a. through d. above is caused by or is attributable to a successor, assignee or transferee of the Grantee under an Assignment and Assumption Agreement, and the Grantee shall fail, within ninety (90) days of written notice from the Agency and/or the County of Monterey to commence to enforce the Grantee's remedies under the Assignment and Assumption Agreement to cause such successor, assignee or transferee to cure the failure.

Prior to the Agency and/or the County of Monterey's exercising its Right of Reverter under this Section 2 or under Section 512 of the DDA, Agency and/or the County of Monterey shall provide written notice to Grantee of its intention to exercise its Right of Reverter and afford Grantee the ability to cure such default if a cure period is provided for herein.

Such Right of Reverter shall be subordinate and subject to and be limited by and shall not defeat, render invalid or limit:

1. any mortgage, deed of trust or other security instrument permitted by the DDA; or
2. any rights or interests provided in the DDA for the protection of the holder of such mortgages, deeds of trust or other security instruments;
3. any rights or interests of bondholders or other parties under financing mechanisms adopted or approved by the County as part of the Development Approvals (as such term is defined in the DDA);
4. upon revesting in the Agency and/or the County of Monterey of title to the Revested Parcel as provided in this Section and in Section 512 of the DDA, the Agency and/or the County of Monterey shall use commercially reasonable efforts to resell the Revested Parcel as soon as possible, in a commercially reasonable manner, to a qualified and responsible party or parties (as determined by the Grantor with the concurrence of the Agency) who will assume the obligation of making or completing such improvements as are acceptable to the Agency and/or the County of Monterey in accordance with the uses specified for the Revested Parcel in the Redevelopment Plan and in a manner satisfactory to the Agency and/or the County of Monterey. If the resale of the Revested Parcel generates any proceeds, then the proceeds thereof shall be applied as follows:

(a) First, to reimburse the Agency and/or the County of Monterey on its own behalf or on behalf of the County or Agency for all costs and expenses reasonably incurred by the Agency and/or the County of Monterey, including but not limited to salaries of personnel

DRAFT

and legal fees directly incurred in connection with the recapture, management, and resale of the Revested Parcel (but less any income derived by the Agency and/or the County of Monterey from any part of the Revested Parcel); all taxes and installments of assessments incurred and payable prior to resale, and water and sewer charges with respect to the Revested Parcel incurred and payable prior to sale; any payments made or required to be made to discharge any encumbrances or liens, except any FORA liens, existing on the Revested Parcel at the time of revesting of title in the Agency and/or the County of Monterey or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the Grantee, its successors or transferees; expenditures made or obligations incurred which are necessary or required to preserve the value or protect the Revested Parcel or any part thereof; and any amounts otherwise owing the Agency and/or the County of Monterey by the Grantee and its successors or transferees.

(b) Second, to reimburse the Grantee, its successors or transferees, up to the amount equal to the sum of the following, as reasonably allocated by the Grantee to the Revested Parcel:

- (1) pre-development and development costs paid or incurred by the Grantee for the Revested Parcel; plus
- (2) all other costs pertaining to the acquisition or development of the Revested Parcel; plus
- (3) payments made by the Grantee pursuant to financing mechanisms adopted or approved by the County or Agency as part of the Development Approvals, and the costs actually incurred by the Grantee for on-site labor and materials for the construction of the improvements existing or in process on the Revested Parcel or applicable portion thereof at the time of the reentry and repossession, exclusive of amounts financed.

Included with the above amounts shall be the fair market value of the improvements the Grantee has placed on the Revested Parcel, less any gains or income withdrawn or made by the Grantee from the Revested Parcel or the improvements thereon. Notwithstanding the foregoing, the amount calculated pursuant to this subsection (b) shall not exceed the fair market value of the Revested Parcel together with the improvements thereon as of the date of the default or failure which gave rise to the Agency and/or the County of Monterey's exercise of the Right of Reverter.

(c) Any balance remaining after such reimbursements shall be retained by the Agency and/or the County of Monterey as its property.

Section 3. Use and Maintenance.

The Grantee covenants and agrees for itself, its successors, its assigns, its transferees and every successor in interest that during construction and thereafter, the Grantee and its successors, transferees and assignees shall devote the Property and Phases thereof to the uses specified in the Redevelopment Plan, the Development Approvals and the DDA for the periods of time specified

DRAFT

therein; *provided*, that in the event of any conflict between the foregoing, the Development Approvals shall govern and control.

In the event that there arises at any time prior to the expiration of the above covenants a condition in contravention of those standards, then the Grantor shall give written notice to the Grantee of the deficiency, and the Grantee shall commence to cure, correct or remedy such condition and shall complete such cure, correction or remedy with reasonable diligence.

Section 4. Prohibition Against Transfer of Property and Assignment of Agreement.

Subject to the provisions of Section 314 of the DDA, after conveyance of title and prior to the issuance of a Certificate of Completion for the Property or any Phase or portion thereof pursuant to Section 320 of the DDA, the Grantee shall not, except as expressly permitted by Section 107 of the DDA, sell, transfer, convey, assign or lease the whole or any part of the Property not covered by a Certification of Completion or the existing buildings or improvements thereon without the prior written approval of the Grantor or Agency which shall not be unreasonably withheld, conditioned or delayed. This prohibition shall not apply subsequent to the issuance of the Certificate of Completion for the Property or any Phase or portion thereof for which a Certificate of Completion has been issued. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, or prohibit or restrict the sale or leasing of any part or parts of a building or structure conditioned upon completion of said improvements as evidenced by a Certificate of Completion, or to restrict any acquisition financing or construction financing therefor.

In the absence of specific written agreement by the Grantor, no such transfer or assignment or approval by the Grantor shall be deemed to relieve the Grantee or any other party from any obligations under the DDA until completion of development as evidenced by the issuance of a Certificate of Completion for the Property or any Phase or portion thereof unless the Grantor has approved an Assignment and Assumption Agreement (“Assignment and Assumption Agreement”) with respect to such transaction pursuant to Section 107 of the DDA.

Section 5. Intentionally Deleted.

Section 6. Enforcement.

Except as otherwise provided in the DDA (including, without limitation, Sections 312, 314 and 320), the covenants contained in this Quitclaim Deed shall remain in effect until the termination date of the Redevelopment Plan as such Redevelopment Plan may be amended pursuant to the provisions of Section 701 of the DDA. Under Section 1100.2 of the Redevelopment Plan, the Redevelopment Plan terminates 30 years from the date the County Auditor certifies to the Director of Finance, pursuant to Health and Safety Code Section 53492.9, as the date of the final day of the first fiscal year in which One Hundred Thousand Dollars (\$100,000) or more of tax increment funds from the Redevelopment Project Area are or have been paid to the Grantor. The covenants against discrimination shall remain in effect in perpetuity. Further, environmental covenants or indemnifications by the Army and/or FORA for their grantees, transferees and

DRAFT

successors and assigns shall also remain in place in perpetuity. The covenants established in this Quitclaim Deed shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Grantor, its successors and assigns, the Grantee and any successor in interest to the Property or any Phase or portion thereof.

The Grantor and the Grantee are each deemed the beneficiary of the terms and provisions of this Quitclaim Deed and of the covenants running with the land for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit the covenants running with the land have been provided. The covenants shall run in favor of the Grantor and the Grantee without regard to whether the Grantor or the Grantee has been, remains or is an owner of any land or interest therein in the Property or any Phase or portion thereof, any parcel or subparcel, or in the Redevelopment Project Area. The Grantee and the Grantor shall have the right, if the covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it may be entitled.

Section 6. Remedies of Agency.

If Grantee defaults on any of its material obligations under the DDA and Grantor does not timely cause Grantee to cure such defaults, the Redevelopment Agency of the County of Monterey may exercise any rights and remedies available to it as against Grantee under the DDA or otherwise.

Section 7. Capitalized Terms.

Capitalized terms used in this Quitclaim Deed, if not otherwise defined, shall have the meaning given to such terms in the DDA.

(Signature contained on following page)

DRAFT

Date: _____

UCP EAST GARRISON, LLC
A Delaware limited liability company

By: _____
Daniel Turpin
Division Manager

Acknowledged and Agreed to:

_____, a _____

By: _____

Dated: _____

Print Name: _____

Title: _____

DRAFT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

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

State of California

County of _____)

On _____, before me,

_____ ,
Dated Here insert Name and Title of Officer
personally appeared

Name(s) of Signer(s)
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

DRAFT

EXHIBIT D-1

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

To inform _____, a California _____ ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be required upon the transfer of certain real property to the Transferee by [Seller], a [status] ("Transferor"), the undersigned hereby certifies the following on behalf of the Transferor:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder); and
2. The Transferor's U.S. employer or tax (social security) identification number is _____.

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

The Transferor understands that the Transferee is relying on this Certification in determining whether withholding is required upon said transfer.

Under penalty of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Dated: _____, 2024

"TRANSFEROR"

[Seller]

By: _____
Daniel Turpin
Vice President

By: _____
Daniel Turpin
Vice President

DRAFT

EXHIBIT D-2

SELLER'S STATE TAX WITHHOLDING CERTIFICATE

To inform _____, a California
_____ ("Transferee"), on behalf of [Seller], a [status] ("Transferor"),
the undersigned hereby certifies that withholding of tax under Sections 18805 and 18662 of the
California Revenue and Taxation Code (collectively, the "Act") will not be required by
Transferor:

CHECK ALL APPLICABLE ITEMS:

- ☐ 1. Transferor is a resident of California. Transferor's last known address is
_____.
- ☐ 2. Transferor is a corporation qualified to do business in California.
- ☐ 3. Transferor is a partnership as determined in accordance with Subchapter K of Chapter 1
of Subtitle A of the Internal Revenue Code.
- ☐ 4. Transferor has received a homeowner's property tax exemption for the Property.
- ☐ 5. Transferor is a bank acting as trustee other than a trustee of a deed of trust.

If none of the above apply, the undersigned certifies that Transferor has filed Form 597-A
with the California Franchise Tax Board ("FTB") for the purpose of obtaining a Certificate from
the FTB that Transferor is not required to pay to the FTB the amount of tax otherwise required to
be withheld and paid under the Act, or is required only to pay a reduced amount of such tax.

Transferor understands that this Certificate may be disclosed to the California Franchise
Tax Board by Transferee and that any false statement contained herein could be punished by
fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this Certificate and to the best of
my knowledge and belief it is true, correct and complete, and I further declare, in my individual
capacity, that I have authority to sign this document on behalf of Transferor.

Dated: _____, 2024

"TRANSFEROR"

[SELLER]

By: _____
Daniel Turpin
Vice President

DRAFT

EXHIBIT D-3

ASSIGNMENT AND BILL OF SALE

Reference is hereby made to (a) that certain property located in [City], [County] County, California and described in more detail on Exhibit A of that certain Agreement for Purchase and Sale of Real Property and Escrow Instructions ("Purchase Agreement") between Seller and Buyer (as such parties are defined below) dated as of [Month] 2024, (b) to the improvements located thereon and (c) to the rights, privileges and entitlements incident thereto (the "Property").

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, [Seller], a [status] ("Seller"), does hereby give, grant, bargain, sell, transfer, assign, convey and deliver to [Buyer], a California _____ ("Buyer"), all of Seller's right title and interest in the Property, including, without limitation: (i) all entitlements, subdivision agreements and other agreements relating to the development of the Property; (ii) all plans, specifications, maps, drawings and other renderings relating to the Property; (iii) all warranties, claims and any similar rights relating to and benefitting the Property or the assets transferred hereby; (iv) all intangible rights, goodwill and rights benefitting the Property; (v) all development rights benefitting the Property; and (vi) all rights, claims or awards benefitting the Property; excluding in any event all rights to receive a reimbursement, credit or refund from the applicable agency or entity of any deposits or fees paid in connection with the development of the Property, which shall be and remain the property of Seller.

Except for the representations and warranties specifically set in the Purchase Agreement, Seller hereby disclaims any warranty, oral or written, concerning (a) the suitability of said Property for any activities and uses which Buyer may elect to conduct on the real property and/or in any improvements thereon, (b) the construction, physical condition or state of repair of said Property, (c) the compliance of the Property with any laws, rules, ordinances, or regulations of any government or other body, it being specifically understood that Buyer has fully inspected, evaluated and accepted said personal property on an "AS IS, WHERE IS AND WITH ALL FAULTS" basis, and Buyer, by its acceptance of this Bill of Sale, expressly acknowledges that Seller makes no representation or warranty with respect to the Property, express or implied, or arising by operation of law, including, without limitation, any warranty of quantity, quality, condition, habitability, merchantability, suitability or fitness for a particular purpose. Nothing contained in this Bill of Sale amends any of the rights or obligations of any party under the Purchase Agreement. In the event of any conflict between the terms of this Bill of Sale and the Purchase Agreement, the terms of the Purchase Agreement will govern.

Seller hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to Buyer, its nominees, successor and/or assigns, any new or confirmatory instruments and do and perform any other acts which Buyer, its nominees, successors and/or assigns, may reasonably request in order to fully transfer possession and control of, and protect the rights of Buyer, its nominees, successors and/or assigns in, all the assets of Seller intended to be transferred and assigned hereby.

DRAFT

"SELLER"

[Seller], a [status]

By: _____

Daniel Turpin

Vice President

DRAFT

EXHIBIT E

ASSIGNMENT AND ASSUMPTION AGREEMENT

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

ASSIGNMENT AND ASSUMPTION AGREEMENT

**(PARCELS _____AND_____, PURSUANT TO DISPOSITION AND
DEVELOPMENT AGREEMENT AND AGENCY DEED: EAST GARRISON PROJECT)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (herein "this Agreement") is entered into as of _____, 20__ (the "Effective Date"), by and among UCP EAST GARRISON, LLC, a Delaware limited liability company, (herein "Master Developer") and COMMUNITY HOUSING IMPROVEMENT SYSTEMS AND PLANNING ASSOCIATION, INC., a California nonprofit public benefit corporation (herein "Assignee") and is consented to by the REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY ("Agency") and approved by the COUNTY OF MONTEREY ("County").

The Effective Date of this Agreement shall be the date of its recordation in the Official Records of the County of Monterey pursuant to Section 7 hereof.

RECITALS

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

DRAFT

B. EGP took title to the Site pursuant to that certain Quitclaim Deed, dated as of January 16, 2007, from the Agency to EGP, which Deed was recorded in the Official Records of the Monterey County Recorder on February 1, 2007, as Instrument No. 2007008907 (the

C. "Agency Deed"), setting forth certain disclosures, covenants, restrictions and requirements pertaining to the Assigned Parcel (as defined below), as well as the Remaining Site (as defined below).

D. Master Developer has acquired all of the rights, title and interest to the Site, including the Assigned Parcel (as defined below), and the development rights to East Garrison, including the DDA, from EGP pursuant to a foreclosure process as evidenced in that certain Trustee's Deed Upon Sale recorded September 9, 2009 in the Official Records under Recorder's Series Number 2009-057220. The DDA was subsequently assigned to and assumed by Master Developer by that certain First Implementation Agreement to Disposition and Development Agreement by and between the Agency and Master Developer dated June 28, 2011 ("Master Developer Implementation Agreement").

E. One of the obligations under the DDA is the provision of affordable rental housing in Phase Three of East Garrison (the "Phase Three Affordable Rental Housing"). This obligation is intended to be satisfied by the development of the Phase Three Affordable Rental Housing by Assignee. The DDA provides that the Master Developer would provide finished graded and infrastructure serviced pads to Assignee for construction of the Phase Three Affordable Rental Housing. As used hereafter, the term "DDA" shall mean the DDA as implemented by the Master Developer Implementation Agreement and the Affordable Housing Implementation Agreement.

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

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

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

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

DRAFT

AGREEMENTS

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

1. **Transfer of Assigned Parcel.** Subject to all of the terms and conditions of that certain Purchase and Sale Agreement and that certain Quitclaim Deed from Master Developer to Assignee of even date herewith (collectively, the "Transfer Documents"), Master Developer intends to transfer the Assigned Parcel to Assignee subject to the terms of the DDA and the Agency Deed applicable to the Assigned Parcel, and Assignee agrees to accept such transfer subject to the terms and conditions of the DDA and Agency Deed applicable to the Assigned Parcel, including but not limited to those provisions for performance in the development of the Assigned Parcel, restrictions on subsequent assignments, and rights and remedies in the event of default. Certain relevant provisions of the Transfer Documents are attached hereto as Exhibit 4 and incorporated herein by reference.
2. **Assignment by Master Developer.** Subject to the terms and conditions of this Agreement, as of the Effective Date (as determined under Section 7 hereof), Master Developer hereby assigns, transfers and grants to Assignee, and its successors and assigns, all of the Assigned Development Rights and Obligations, as such term is defined in Section 9 below. The Retained Development Rights and Obligations (as such term is defined in Section 9 of this Agreement) are hereby retained by the Master Developer and/or its other assignees and the Remaining Site.
3. **Acceptance and Assumption by Assignee.** Subject to the terms and conditions of this Agreement, as of the Effective Date, Assignee, for itself and its assignors and assigns, hereby accepts such assignment and assumes all of the Assigned Development Rights and Obligations. Except as expressly provided in this Agreement, Assignee agrees, expressly for the benefit of the Agency, to comply with, perform and execute all the covenants and obligations of Master Developer under the DDA, the Master Developer Implementation Agreement and Agency Deed arising from or under the Assigned Development Rights and Obligations as relate solely and exclusively to the Assigned Parcel.
4. **Effect of Assignment.**
 5. Approval or acceptance of this Agreement by the Agency shall not be deemed to create any responsibility on the part of Assignee for the performance or satisfaction of the Retained Development Rights and Obligations and the Remaining Site, and Agency shall look solely to the Master Developer and/or its other assignees for the performance of such obligations, it being understood and agreed that the failure of the Master Developer and/or its assignees to timely perform all or any of such Retained Development Rights and Obligations shall not delay or prevent development of or the issuance of building permits or certificates of occupancy for the Assigned Parcel except to the extent such failure by the Master Developer and/or its assignees relates to satisfaction of conditions precedent under the DDA, if any, to the issuance of building permits, such as backbone infrastructure or services to serve the Assigned

DRAFT

Parcel or the timely construction and completion of the Rental Affordable Housing as set forth herein. Subject to the foregoing, approval or acceptance of this Agreement by the Agency shall be deemed to relieve the Master Developer and/or its other assignees from any and all responsibility or liability to the Agency for the Assigned Parcel and the performance of the Assigned Development Rights and Obligations and Agency shall look solely to the Assignee for the performance of such obligations, subject to the rights (but not the obligations) of the Master Developer to enforce such obligations, pursuant to Section 12 of this Agreement, and subject to the Master Developer's obligations under the DDA to cause the development of the Rental Affordable Housing required on the Site. It is understood and agreed that the failure of Assignee for the performance of the Assigned Development Rights and Obligations shall not delay or prevent development of or the issuance of building permits or certificates of occupancy for the Remaining Site, except to the extent that such failure by the Assignee triggers a suspension of building permits for market rate housing units in the Remaining Site under Attachment No. 3 of the DDA. The Master Developer shall be fully released from the Assigned Development Rights and Obligations as of the date of the Certificate of Completion for the Rental Affordable Housing, in accordance with the DDA.

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

7. Agency hereby acknowledges and agrees that a default under the DDA with respect to the Remaining Site by any third party (other than Assignee) or by any of their respective agents, employees or contractors, shall not constitute a default or breach of the DDA on the part of Assignee with respect to the Assigned Parcel; however, it is understood that a default by the Master Developer under certain circumstances set forth in the DDA and the Master Developer Implementation Agreement, as referenced in the first sentence of subsection (a) of this Section 5, could impact the issuance of building permits for the Assigned Parcel.
8. Agency is not aware of any breach or default by the Master Developer referred to above with respect to any portion of the Assigned Parcel or the Assigned Development Rights and Obligations hereby transferred to Assignee.
9. Pursuant to the DDA, Agency has approved the qualifications and financial capability of Assignee to carry out the development of the Assigned Parcel hereby transferred from Master Developer to Assignee.
10. Agency hereby acknowledges and agrees that a default under the DDA by Assignee with respect to the Assigned Parcel which is not caused by the Master Developer shall not constitute a default or breach of the DDA on the part of the Master Developer and/or its other assignees with respect to the Assigned Parcel or the Remaining Site; provided, however, that the Master Developer

DRAFT

acknowledges that it has the responsibility under the DDA to cause the development of the Rental Affordable Housing on the Assigned Parcel.

11. The DDA with respect to the Assigned Parcel and the Assigned Development Rights and Obligations may not be amended by the Agency and Assignee in any way that may have a material effect on the Master Developer or its ownership or other interest in the Site or any part thereof, including rights and remedies with respect to the Assigned Parcel, without the Master Developer's express written consent so long as the Master Developer retains an ownership or other interest in the Site or any part thereof.
12. For the period that the Master Developer retains an interest in the Remaining Site or any part thereof under the DDA, the DDA with respect to the Remaining Site and with respect to the Master Developer's Retained Development Rights and Obligations, may be amended without Assignee's consent (but following prior written notice to Assignee; provided, however, the timely delivery of said notice shall not be a condition to the validity of any such amendment) so long as the amendment does not have a material effect on the Assignee or its ownership or other interest in the Assigned Parcel or any part thereof.
13. **Substitution of Assignee.** Assignee hereby assumes, as applicable to the Assigned Parcel, all of the burdens and obligations of the Master Developer under the DDA and Agency Deed with respect to the Assigned Rights and Obligations, but not with respect to the Retained Development Rights and Obligations, and agrees to observe and fully perform all of the duties and obligations of the Master Developer under the DDA and Agency Deed as applicable to the Assigned Parcel with respect to the Assigned Rights and Obligations, but not with respect to the Retained Development Rights and Obligations, and to be subject to all of the terms and conditions thereof, with respect to the Assigned Parcel, it being the express intention of both the Master Developer and Assignee that, upon the Effective Date of this Agreement, Assignee shall, subject to the terms and conditions of this Agreement become substituted for the Master Developer as the "Developer" under the DDA and Agency Deed with respect to the Assigned Rights and Obligations, but not with respect to the Retained Development Rights and Obligations, as applicable to the Assigned Parcel.
14. **Effective Date.** The Effective Date of this Agreement shall be the date of its recordation in the Official Records of the Recorder of Monterey County. The Effective Date of this Agreement shall be entered in the introductory paragraph of this Agreement and this Agreement shall be recorded by the Parties immediately preceding conveyance or transfer of the Assigned Parcel to Assignee.
15. **Assignee Representations and Warrants.** Assignee warrants and represents to the Agency and Master Developer as a material inducement to its approval of the assignment hereunder, the Assignee has independently reviewed, analyzed, and understands the effect and conditions of the DDA, the Master Developer Implementation Agreement and Agency

DRAFT

Deed, the County's approval of the East Garrison Specific Plan and other Development Approvals (as defined in the DDA) pertinent to the development of the Assigned Parcel. Assignee further warrants and represents to the Agency and the Master Developer that except as may be expressly set forth in Sections 9 and 10 below, it is not relying upon any representations on the part of the Agency, Master Developer or any of their officers, agents or employees as to the status or effect of such matters.

16. **Assignment of Development Rights and Obligations Related to the Assigned Parcel.** As used herein "Assigned Development Rights and Obligations" means all of Master Developer's rights, title and interest (hereinafter collectively "Rights") and obligations, duties, responsibilities, conditions and restrictions (hereinafter collectively "Obligations") under the DDA and Agency Deed to cause the vertical development of the Property for use as Rental Affordable Housing as set forth in Exhibit 2 hereto, but only to the extent those Rights or Obligations are applicable to Assignee and/or the Assigned Parcel. The Assigned Development Rights and Obligations are set forth or referenced in the following exhibits to this Agreement; which are incorporated herein by reference.

Exhibit 1: Location and Legal Description of Assigned Parcel

Exhibit 2: Permitted Uses and Scope of Development for Assigned Parcel

Exhibit 3: Schedule of Performance for the Assigned Parcel

Exhibit 4: Provisions of DDA and Agency Deed Applicable to Assigned Parcel

Notwithstanding anything contained herein or in the DDA or Agency Deed to the contrary, in the event of any conflict between the Rights and Obligations set forth in the exhibits to this Agreement and the Rights and Obligations set forth in the DDA and/or the Agency Deed, the Rights and Obligations set forth in the exhibits to this Agreement shall control.

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

17. **Other Provisions.**

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

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

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

DRAFT

(ii) the assignment of the Assigned Development Rights and Obligations to Assignee.

21. Remedies of Master Developer.

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

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

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

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

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

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

28. Vertical Development Insurance Requirements.

Prior to the commencement of vertical construction on the Assigned Parcel, the Assignee shall furnish or cause to be furnished to the Agency and Master Developer duplicate originals or appropriate certificates of commercial general liability insurance, with an endorsement naming the Agency, the County and Master Developer as additional or co-insureds, in not less than the following amounts: \$1 million single limit for each occurrence and \$5 million general aggregate for all occurrences. The Assignee shall, upon request, also furnish or cause to be furnished to the Agency, the County and Master Developer evidence satisfactory to the Agency, the County and Master Developer that any contractor with whom it has contracted for the performance of work

DRAFT

on the Site carries workers' compensation insurance as required by law. All insurance policies maintained in satisfaction of this section shall contain a provision requiring the insurance carrier to provide thirty (30) days' prior written notice of any cancellation or termination to the Agency and Master Developer. The obligations set forth in this section shall remain in effect until completion of vertical development on the Assigned Parcel and may be satisfied by the insurance provided, with the same limits as set forth above, in a regulatory agreement approved by the Agency and entered into by the Assignee in connection with the development of the Assigned Parcel.

29. **General Provisions.**

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

To: CHISPA, inc.
295 Main Street, Suite 100
Salinas, CA 93901
Attention: Director of Real Estate Development
Phone: (831) 757-6251 ext. 141
Email: dcleary@chispahousing.org

With a copy to:

Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attention: Lauren Fechter
Phone: (415) 781-6600, ext. 5
Email: lfechter@gubbandbarshay.com

To: UCP East Garrison, LLC
6700 Koll Center Parkway, Suite 210
Pleasanton, CA 94566
Phone: (925) 300-6658
Email: dan.turpin@centurycommunities.com

With a copy to: Century Communities
4695 MacArthur Court, Suite 300
Newport Beach, CA 92660
Attn: Holly Traube Cordova, Esq.
Phone: (661) 487-6080
Email: holly.cordova@centurycommunities.com

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

DRAFT

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

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

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

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

SIGNATURES CONTINUED ON NEXT PAGE

DRAFT

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

MASTER DEVELOPER:

UCP EAST GARRISON, LLC, a Delaware limited liability company

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

By: _____
Daniel Turpin
Vice President

ASSIGNEE:

COMMUNITY HOUSING IMPROVEMENT
SYSTEMS AND PLANNING ASSOCIATION, INC., a
California nonprofit public benefit corporation

By: _____
Name:
Title:

COUNTY OF MONTEREY

By: _____
Glenn Church
Chair, Monterey County Board of Supervisors

DRAFT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

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

State of California

County of _____)

On _____, before me,

_____ Dated Here insert Name and Title of Officer
personally appeared

Name(s) of Signer(s)
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

DRAFT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

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

State of California

County of _____)

On _____, before me,

_____ ,
Dated Here insert Name and Title of Officer
personally appeared

Name(s) of Signer(s)
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

DRAFT

EXHIBIT 1

LOCATION AND LEGAL DESCRIPTION OF ASSIGNED PARCEL

Real property in the unincorporated area of the County of Monterey, State of California,
described as follows:

DRAFT

EXHIBIT 2

PERMITTED USES AND SCOPE OF DEVELOPMENT FOR ASSIGNED PARCEL

[To Be Inserted]

DRAFT

EXHIBIT 3

SCHEDULE OF PERFORMANCE FOR THE ASSIGNED PARCEL

[To Be Inserted]

DRAFT

EXHIBIT 4

PROVISIONS OF DDA AND AGENCY DEED APPLICABLE TO ASSIGNED PARCEL

A. APPLICABLE DDA PROVISIONS.

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

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

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

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

[§107] The Developer

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

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

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

[§302] Scope of Development

[§304] Construction Schedule

[§306] County and Other Governmental Agency Permits

DRAFT

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

DRAFT

[§504] Applicable Law; Interpretation

[§506] Rights and Remedies are Cumulative

[§507] Damages

[§508] Specific Performance

[§512] Right of Reverter

[§513] Dispute Resolution; Legal Action

[§601] Notices, Demands and Communications Between the Parties

[§602] Conflicts of Interest

[§603] Nonliability of Agency or Developer Officials and Employees

[§604] Enforced Delay; Extension of Times of Performance

[§605] Inspection of Books and Records

[§606] Plans and Data

[§607] Attorneys' Fees

[§608] No Third Party Beneficiaries

[§610] General Indemnity

[§611] Mechanics' Liens

[§612] Government Functions of Agency; No Joint Venture or Third Party Liability

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

(1) [Attachment No. 3] Housing Development and Affordable Phasing Requirements; and

(2) [Attachment No. 9, Section 4] Scope of Development.