

# Exhibit I

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**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 (this “Amendment”) is made this \_\_\_\_  
day of \_\_\_\_\_, 2023, by and between SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY (the “Successor  
Agency”) and UCP EAST GARRISON, LLC (“UCP EG”). Successor Agency and UCP EG are  
each referred to herein as a “Party” and together as the “Parties.” The COUNTY OF  
MONTEREY (the “County”) has consented to this Amendment as set forth in the Consent and  
Agreement of the County appended hereto following the signature pages.

RECITALS:

A. 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 (hereinafter, the “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 (“hereinafter, “Successor Agency”) has succeeded to the rights and obligations of the Agency.

C. Also under the Dissolution Act, the California State Department of Finance (hereinafter, “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 (the “First Implementation Agreement”).

E. To date, ...

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 Final Phase at East Garrison.

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 the Developer, 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 2 and Phase 3 to meet current economic conditions.

I. In order for the Agency and UCP EG to amend the First Implementation Agreement, such amendment must be deemed to be consistent with the Dissolution Act and Health and Safety Code Section 34181(e), which deals with the amendment and early termination of "enforceable obligations" of the former redevelopment agency. That Section was interpreted in *County of Monterey v. Bosler* (2020) 57 Cal. App. 5th 466 to mean that an agreement could be amended if the Agency's tax increment liabilities were reduced as part of the amendment.

J. The DDA has been recognized by the Department of Finance to be an "Enforceable Obligation," and as demonstrated in the Tax Increment Analysis attached hereto as Exhibit \_\_, the amendments to the DDA and First Implementation Agreement will result in a reduction in the Agency's tax increment liabilities.

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 Reduction in Tax Increment Assistance Under the DDA. The revenue to the County will increase as demonstrated in the Tax Increment Analysis dated August 21, 2023, attached hereto as Exhibit \_\_. This increase in revenue, as demonstrated by the Tax Increment Analysis, will directly result in a reduction in the County's tax increment liabilities.

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 \_\_. In order to reflect the updated residential unit amounts and sizes for the Final Phase units, Exhibit 1 to Attachment 9 is hereby amended for the remaining Final Phase with the document attached hereto as Exhibit \_\_. The locations of the affordable/workforce 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 \_\_.

## 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.

2.1 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 and incorporated herein by reference.

2.2 Performance Schedule for Phase 3 and Final Phase. As set forth in the revised Attachment No. 5, 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 the Developer would satisfy all Workforce II Housing obligations imposed upon Developer 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) Developer shall satisfy all outstanding Workforce II Housing obligations imposed upon Developer 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. The location of these units shall be as depicted in the attached Exhibit \_.

(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 Developer documents to the Successor Agency that Developer is unable to find a willing qualified Workforce II homebuyer after making a good faith effort to sell such unit for a period of 120 days.

4. Town Center (Attachment No. 4, § G(2); Attachment No. 9, § 6). The Parties agree that UCP EG shall implement its obligations for the development of the Town Center under the DDA, including Paragraph G, Section 2 of Attachment No. 4, in the following manner: (i) before the time that escrow has closed on the sale of the 1st lot in Phase 3, UCP EG shall post a completion bond with respect to 34,000 square feet of the Town Center, sized sufficiently to compensate for costs related to the construction as well as cost related to accessing the bond; (ii) UCP EG shall complete construction of at least 20,000 square feet of the Town Center prior to the issuance of the building permit for the 35th market rate residential unit in the Final Phase, and shall complete construction of an additional 14,000 square feet 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 122 (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 is approximately one acre in size and is to be built in connection with Developer’s Town Center Construction Obligation. The Town Center Park shall be completed consistent with the revised phasing plan attached hereto as Exhibit \_.

6. Miscellaneous.

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

To: UCP East Garrison, LLC  
  
6400 Koll Center Drive, Suite 210  
Pleasanton, CA 94566  
Attention: Daniel Turpin

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

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

6.3 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.

6.4 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.

6.5 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.

6.6 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.

6.7 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.

6.8 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.

6.9 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.

6.10 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 Developer and recognizes the implementation measures to the DDA set forth herein, in form and substance reasonably satisfactory to the Parties, which shall be recorded in the Official Records.

[Signature Page Follows]



***Preliminary draft subject to change.***

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: \_\_\_\_\_  
Name: Nicholas Arenson  
Title: Vice President

**THE SUCCESSOR AGENCY:**

Date: \_\_\_\_\_, 2024

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

Approved as to Form and Legality:

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

Approved as to Form:

By: \_\_\_\_\_  
Mike Whilden, Deputy County Counsel  
Attorney for the County of Monterey

**THE COUNTY:**

THE COUNTY OF MONTEREY

By: \_\_\_\_\_  
Glenn Church,  
Chair, Monterey County Board of Supervisors

By: \_\_\_\_\_  
Glenn Church.  
Chair, Monterey County Board of Supervisors

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

**SCHEDULE OF PERFORMANCE**  
Updated: As of March 31, 2024

**I. 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 1A</i>	<i>Consists of 30,000 sq. ft. commercially zoned space, landscaping, parking, 66 below market rate rental units and 1 managers unit within the Town Center</i> <i>Timing: As required by the First Amendment to Completion Guaranty for Phase Three, and as may be amended in the future</i>
<i>Final Phase 1B</i>	<i>Town Square</i> <i>Timing: Upon completion of Phase 1A</i>
<i>Final Phase 1C</i>	<i>Consists of 77 SFD surrounding the Arts Park and along the north/south sides of Sherman Blvd.</i> <i>Timing: Subsequent to start of construction of the commercial/affordable building in Town Center and as required in Section 4 of this First Implementation Agreement</i>
<i>Final Phase 2A</i>	<i>Consists of 70 SFD between Bragg Way and Ord Ave</i> <i>Timing: Subsequent to completion of Phase 1A and concurrent with Final Phase 2B</i>
<i>Final Phase 2B</i>	<i>Consists of the 119 live/work rowhouse units including 33 deed restricted moderate and 70 deed restricted for sale units</i> <i>Timing: Subsequent to the completion of the construction of Phase 1A and concurrent with Final Phase 2A</i>

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