

Exhibit J

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

This FIRST AMENDMENT TO PHASE THREE COMPLETION GUARANTY (the “**Amendment**”), dated for reference purposes as _____, 2024 (the “**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 (the “**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 (the “**DDA**”), between Original Developer and the Redevelopment Agency of the County of Monterey (the “Original Agency”), which was approved by the County of Monterey (the “**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 (a “**Rental Affordable Housing Developer**”) pursuant to an 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 (the “**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 (the "**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, for and 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 \$_____ (the "New Bond Amount"). Within fifteen (15) days after mutual execution of this Amendment, Obligor will furnish to the Agency either (a) 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 (b) 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

By: _____
Name: _____
Its: _____

APPROVED:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE COUNTY
OF MONTEREY

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

Approved as to Form and Legality

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

The County of Monterey hereby acknowledges this Completion Guaranty.

COUNTY OF MONTEREY

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

Approved as to Form

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