

**AMENDMENT NO. 1
TO
RECREATIONAL DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS AMENDMENT NO. 1 TO RECREATIONAL DISPOSITION AND DEVELOPMENT AGREEMENT (the "Amendment") is entered into this 27th day of March 2013, by and between the City of Oceanside, a public body, corporate and politic (the "City"), and SADBERRY DEVELOPMENT, INC., a California corporation (the "Developer").

RECITALS

WHEREAS, on January 2, 2013, the City and Developer entered into a Recreational Disposition and Development Agreement ("Agreement") to establish the roles and responsibilities of the City and the Developer pending the close of escrow for the creation and commencement of the leasehold estate for the recreational development of a portion of El Corazon;

WHEREAS, the Agreement provided for a sixty (60) day period for the City to obtain and approve an estimate of the cost to perform the City Improvements required to be performed by the City pursuant to the Lease between City and Developer.

WHEREAS, the City obtained estimates of the cost to perform the City Improvements and on February 28, 2013, the City provided Developer written notice of its disapproval of the estimates obtained to perform the City Improvements and the maximum that the City is willing to approve;

WHEREAS, Developer has within thirty (30) days of City's written notice to agree in writing to pay the difference between the City's approved amount and the actual estimates;

WHEREAS, the parties are desirous of the City revising the plans and specification of the City Improvements in order to obtain lower estimates and provide for an additional period of time for the City to obtain and approve a revised estimate of the cost to perform the City Improvements; and

WHEREAS, the parties are also desirous of changing the Developer's Due Diligence Period, and the Close of Escrow date as a result of the extension of the period of time that the City has to approve the cost to perform the City Improvements.

NOW THEREFORE, in consideration of the mutual covenants, conditions and provisions contained herein, the parties hereto agree as follows:


AGREEMENT

1. Section 100.10 Escrow Closing Date. shall be amended by deleting “(b) the date that is 210 days following the Effective Date.” and replaced with “(b) August 15, 2013.”
2. Section 500.7 Due Diligence. shall be amended by deleting the words “...up to one hundred (100) days, commencing on the City Improvements Cost Deadline (as defined in Section 6.6.10 below)...” in the first sentence and replaced with the words “...until August 5, 2013...”.
3. Section 600.6.10 City Improvement Costs. shall be amended by deleting the words “On or before 60 days after the Effective Date...” in the first sentence and replaced with the words “Before May 10, 2013...” and by deleting the words “...within 30 days...” in the third sentence and replaced with the words “by June 10, 2013...”.
4. Except as set forth in this Amendment all other terms and conditions of the Agreement shall remain in full force and effect. Should there be a conflict between this Amendment and the Agreement the terms of this Amendment shall prevail.

CITY OF OCEANSIDE
a public body, corporate and politic

BY: 
Peter Weiss, City Manager

Dated: 3-28-13

APPROVED AS TO FORM OCEANSIDE CITY ATTORNEY  JOHN P. MULLEN City Attorney

DEVELOPER:

SADBERRY DEVELOPMENT, INC.
a California corporation

BY: 

NAME: Colton T. Sudberry

TITLE: President

Dated: March 12, 2013

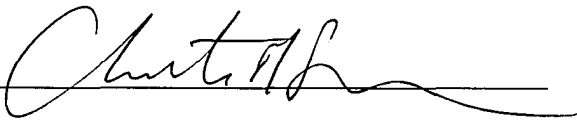
NOTARY ACKNOWLEDGEMENT OF DEVELOPER'S SIGNATURE MUST BE ATTACHED

State of California)
)ss.
County of San Diego)

On March 12, 2012 before me, Christa M. Swanson, a Notary Public, personally appeared Colton T. Sudberry who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature 



**UNANIMOUS WRITTEN CONSENT OF THE SHAREHOLDER
AND THE BOARD OF DIRECTORS OF
SUDBERRY DEVELOPMENT, INC.,
a California corporation
March 29, 2013**

The undersigned, constituting all of the Shareholders and all of the Members of the Board of Directors of Sudberry Development, Inc., a California corporation ("Corporation"), in lieu of holding an annual meeting of the Shareholder and Board of Directors, hereby adopt the following resolutions by joint unanimous written consent without a meeting, effective immediately, in accordance with the Bylaws of the Corporation and the provisions of California Corporations Code Sections 307(b) and 603(a):

- (1) NOW, THEREFORE, BE IT RESOLVED that all acts of the Board of Directors and the Officers of this Corporation, for and on behalf of the Corporation since the date of the last annual meeting are hereby ratified, confirmed and approved;
- (2) RESOLVED FURTHER that the Shareholders hereby re-elect Thomas W. Sudberry, Jr., Colton T. Sudberry, and Marco A. Sessa as the Directors to serve on the Board of Directors during the next year and until their successors are elected and qualified;
- (3) RESOLVED FURTHER that the following persons are hereby elected to hold office until the next annual meeting of the Board of Directors, or Written Consent in lieu thereof, or until they shall resign, or shall be removed, or shall otherwise be disqualified to serve, or until their successors are elected and qualified:

Chairman of the Board:	Thomas W. Sudberry, Jr.
President/Chief Financial Officer:	Colton T. Sudberry
Secretary/Chief Operating Officer:	Charles J. Todd
Sr. Vice President-Land Development/Residential:	Marco A. Sessa
Vice President-Office/Industrial:	Richard H. Simons
Vice President/Sr. Project Manager:	Mark Radelow
Vice President/Director of Property Management:	George Yermanos
Vice President/Director of Leasing	Joseph Madden;

All their addresses are: 5465 Morehouse Drive, Ste. 260, San Diego, California 92121;

- (4) RESOLVED FURTHER that all contracts, documents, checks, drafts, and other negotiable instruments required to be executed by the Corporation may be signed by only the following Officers in the manner provided below or as designated on banking resolutions:

Thomas W. Sudberry, Jr. or Colton T. Sudberry, acting alone

OR

Charles J. Todd, acting alone on any negotiable instrument not exceeding \$10,000.

OR

Signature of any two of the following individuals acting together:

Marco A. Sessa

Richard H. Simons

Charles J. Todd

George Yermanos

And when so signed, made or endorsed, shall constitute valid and binding obligations of the Corporation;

- (5) RESOLVED FURTHER that the financial statements as prepared by the Corporation's accountant for the immediately preceding fiscal year are hereby ratified, confirmed and approved;

(6) RESOLVED FURTHER that after budgeting next year's income and expenses, the general strategic business plan for the ensuing year developed by the Board of Directors, along with the recommendations of the Officers of the Corporation, shall be used as the basis for conducting the Corporation's business affairs;

(7) RESOLVED FURTHER that the Board of Directors has reviewed the staffing requirements, if any, of the Corporation, and after making appropriate modifications with regard to hiring needs, terminations and re-assignments as recommended by the Officers of the Corporation has determined that it is adequate to be able to render the necessary services on behalf of the Corporation;

(8) RESOLVED FURTHER that the Board of Directors has reviewed the Compensation, if any, of the Officers and supporting staff and has determined, after instituting appropriate increases/adjustments for certain employees, that it is fair and adequate consideration for services rendered on behalf of the Corporation;

(9) RESOLVED FURTHER that the Board of Directors has reviewed the property and casualty insurance package for the Corporation and its related properties and has determine that it is adequate insurance coverage on behalf of the Corporation and the affiliated partnerships and limited liability companies;

(10) RESOLVED FURTHER that the Board of Directors shall approve all capital expenditures of \$25,000 or more;

(11) WHEREAS, this Corporation wishes to assign to specified individuals the responsibility to act on behalf of this Corporation and periodically post and file Notice(s) of Non-Responsibility and 3-day notices to quit for the properties it manages;

WHEREAS such specified individuals shall only carry out these acts, from time to time, when specifically directed by an Officer of this Corporation;

NOW, THEREFORE, IT IS RESOLVED that this Corporation has appointed the following individuals, in their designated capacity with Sudberry Properties, Inc., to post and file Notice(s) of Non-Responsibility and 3-day notices to quit:

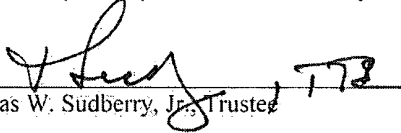
Director of Property Management:	George Yermanos
Senior Property Manager:	Dianna Lawless
Property Manager:	Jennifer Lagace
Assistant Property Manager:	Sandy DeCerbo
Assistant Property Manager:	Cynthia Kellems
Property Management Assistant	Kristin King
Property Services Manager:	Tony Gentry
Property Services Assistant:	Maricar Ngov
Vice President/Sr. Project Manager	Mark Radelow
Vice President/Director of Leasing	Joseph Madden; and

(12) RESOLVED FURTHER that the Officers of this Corporation are hereby authorized, directed and empowered to take such actions and to execute such instruments and documents as are necessary or desirable in order to effectuate the intent of the above Resolutions, and such acts and actions on the part of said Officers are hereby ratified.

Dated: March 29, 2013

SHAREHOLDERS


The Sudberry Family Trust dated February 19, 1982 as amended

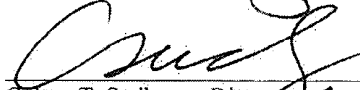

Thomas W. Sudberry, Jr., Trustee

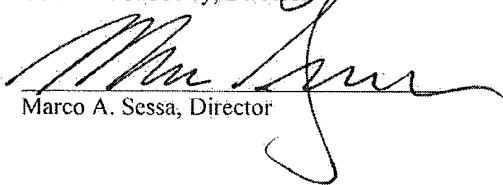
The CC Sudberry Family Trust dated October 13, 2003 as amended


Colton T. Sudberry, Trustee

DIRECTORS:


Thomas W. Sudberry, Jr., Director


Colton T. Sudberry, Director


Marco A. Sessa, Director