GRIFFIN|SWINERTON
PERFORMANCE BASED
COMPENSATION PROPOSAL

<u>Performance-based Compensation</u>

As Compensation for Griffin|Swinerton's development services, the City of Salinas shall pay Griffin|Swinerton, Inc. a fixed fee of $960,000.   (Griffin|Swinerton component of the overall fee structure). The fixed fee shall include all services of Developer, exclusive of Griffin|Swinerton overhead allocation of $928,000.

Griffin|Swinerton agrees that its fixed fee amount ($960,000) shall only be released to Griffin|Swinerton upon hundred percent (100%) completion of its scope of work ("Performance Retention"). Upon a determination by the City of Salinas that the Public Safety Center is 100% complete, the City of Salinas will determine it in its sole discretion what percentage of Performance Retention will then be available for release to the Griffin|Swinerton based on Griffin|Swinerton's performance of its development scope of work as follows:

1) $960,000 or 100% of the Performance Retention shall be released and paid to Griffin|Swinerton by City in a lump sum if Griffin|Swinerton's services are rated by the City of Salinas, in its sole discretion, as "Excellent" or "A";
2) $768,000 or 80% of the Performance Retention shall be released and paid to Griffin|Swinerton by the City in a lump sum if Griffin|Swinerton's services are rated by the City of Salinas, in its sole discretion, as "good" or "B";
3) $672,000 or 70% of the Performance Retention shall be released and paid to Griffin|Swinerton by City in a lump sum if Griffin|Swinerton's services are rated by the City of Salinas, in its sole discretion as 'Fair/Satisfactory" or "C", and;
4) If Griffin|Swinerton's services as rated by City, in its sole discretion is less than "A" through "C" as identified herein, <u>no</u> release of any Performance Retention to Griffin|Swinerton by the City of Salinas shall be required or made by the City of Salinas.

AGREED:

GRIFFIN|SWINERTON

By Roger N. Torriero, Its: Principal

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