SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-9977

MONTEREY HOMES CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Maryland (State or Other Jurisdiction of Incorporation or Organization)	86-0611231 (I.R.S. Employer Identification No.)
6613 North Scottsdale Road, Suite 200 Scottsdale, Arizona (Address of Principal Executive Offices)	85250 (Zip Code)

(602) 998-8700
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes X No .

As of May 5, 1998; 5,368,738 shares of Monterey Homes Corporation common stock were outstanding.

MONTEREY HOMES CORPORATION

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 1998
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SIGNATURES S.1

MONTEREY HOMES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	(Unaudited) March 31, 1998	December 31, 1997
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	$ 5,671,196	$ 8,245,392
Real estate under development	72,279,081	63,955,330
Option deposits	4,915,525	3,070,420
Other receivables	1,154,620	985,708
Residual interests	23,210	1,421,754
Deferred tax asset	10,404,000	10,404,000
Goodwill	7,176,542	5,970,773
Property and equipment, net	1,987,054	2,046,026
Other assets	608,014	534,101
Total Assets	$ 104,219,242	$ 96,633,504
LIABILITIES		
Accounts payable and accrued liabilities	$ 11,945,772	$ 21,171,301
Home sale deposits	9,566,046	6,204,773
Notes payable	30,248,496	22,892,250
Total Liabilities	51,760,314	50,268,324
STOCKHOLDERS' EQUITY		
Common stock, par value $.01 per share; 50,000,000 shares authorized; issued and outstanding - 5,368,738 shares at March 31, 1998, and 5,255,440 shares at December 31, 1997	53,687	52,554
Additional paid-in capital	98,460,501	97,819,584
Accumulated deficit	(45,644,977)	(51,096,675)
Treasury stock - 53,046 shares	(410,283)	(410,283)
Total Stockholders' Equity	52,458,928	46,365,180
Total Liabilities and Stockholders' Equity	$ 104,219,242	$ 96,633,504

</TABLE>

See accompanying notes to consolidated financial statements.

MONTEREY HOMES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

<TABLE>
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	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
<S>	<C>	<C>
Home sales revenue	$ 36,513,344	$ 12,572,837
Cost of home sales	29,625,935	10,880,285
Gross profit	6,887,409	1,692,552
Residual interest and real estate loan interest income	3,203,759	502,110
Mortgage company income, net	28,657	--
Selling, general and administrative expense	(4,248,943)	(1,912,951)
Interest expense	(80,315)	--
Other income, net	11,131	32,500

Earnings before income taxes	5,801,698	314,211
Income taxes	350,000	25,873
Net earnings	$ 5,451,698	$ 288,338
Basic earnings per share	$ 1.03	$ 0.06
Diluted earnings per share	$ 0.90	$ 0.06

</TABLE>

See accompanying notes to consolidated financial statements

MONTEREY HOMES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
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	Three Months Ended March 31, 1998	1997
<S>	<C>	<C>
Cash flows from operating activities:		
Net earnings	$ 5,451,698	$ 288,338
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	264,691	104,698
Stock option compensation expense	345,442	173,363
Gain on sale of residual interest	(3,156,610)	--
Increase in real estate under development	(8,323,751)	(10,012,708)
Increase in option deposits	(1,845,105)	(1,144,991)
(Increase) decrease in other receivables and other assets	(277,755)	248,836
Amortization of residual interests	5,144	91,680
Increase in home sale deposits	3,361,273	1,945,186
Decrease in accounts payable and accrued liabilities	(10,488,721)	(3,907,375)
Net cash provided by operating activities	(14,663,694)	(12,212,973)
Cash flows from investing activities:		
Increase in property and equipment	(113,114)	(82,498)
Proceeds from sale of residual interest	4,550,000	--
Principal payments received on real estate loans	--	384,000
Real estate loans funded	--	(178,272)
Decrease in short term investments	--	4,376,763
Net cash provided by investing activities	4,436,886	4,499,993
Cash flows from financing activities:		
Borrowings	25,082,125	4,797,651
Repayment of borrowings	(17,725,879)	(5,493,679)
Stock options exercised	296,366	--
Dividends paid	--	(194,330)
Net cash provided by (used in) financing activities	7,652,612	(890,358)
Net decrease in cash and cash equivalents	(2,574,196)	(8,603,338)
Cash and cash equivalents at beginning of period	8,245,392	15,567,918
Cash and cash equivalents at end of period	$ 5,671,196	$ 6,964,580

</TABLE>

See accompanying notes to consolidated financial statements

MONTEREY HOMES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

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Monterey Homes Corporation (the "Company") designs, builds and sells distinctive single-family homes in Arizona and Texas. The Company builds move-up and semi-custom, luxury homes in the Phoenix and Tucson, Arizona metropolitan areas, and entry-level and move-up homes in the Dallas/Fort Worth, Austin and Houston, Texas metropolitan areas under the name Legacy Homes (See Note 4). The Company has undergone significant growth in recent periods and is pursuing a strategy of expanding the geographic scope of its operations.

Basis of Presentation. The consolidated financial statements include the accounts of Monterey Homes Corporation and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation and certain prior period amounts have been reclassified to be consistent with current financial statement presentation. Amounts for the three months ended March 31, 1997 do not include the operations of Legacy Homes. In the opinion of Management, the unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to fairly present the Company's financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of results to be expected for a full fiscal year.

NOTE 2 - REAL ESTATE UNDER DEVELOPMENT AND CAPITALIZED INTEREST

The components of real estate under development are as follows (in thousands):

	(Unaudited) March 31, 1998	December 31, 1997
Homes under contract, in production	$ 32,503	$ 29,183
Finished lots and lots under development	30,633	28,471
Model homes and homes held for resale	9,143	6,301
	$ 72,279	$ 63,955

The Company capitalizes certain interest costs incurred on homes in production and lots under development. Such capitalized interest is allocated to inventory and included in cost of home sales when the units are delivered. The following tables summarize interest capitalized and interest expensed (in thousands):

	(Unaudited) March 31, 1998	1997
Beginning unamortized capitalized interest	$ 1,890	$ --
Interest capitalized	628	692
Interest amortized in cost of home sales	(444)	(93)
Ending unamortized capitalized interest	$ 2,074	$ 599
Interest incurred	$ 708	$ 692
Interest capitalized	(628)	(692)
Interest expensed	$ 80	$ --

NOTE 3 - NOTES PAYABLE

Notes payable consist of the following:

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<S>	<C> (Unaudited) March 31, 1998	<C> December 31, 1997
$30 million bank construction line of credit, interest payable monthly approximating prime (8.5% at March 31, 1998), plus .25% payable at the earlier of close of escrow, maturity date of individual homes within the line or June 19, 2000, secured by first deeds of trust on land	$ 7,725,289	$ 4,663,973
$40 million bank construction line of credit, interest payable monthly approximating prime, payable at the earlier of close of escrow, maturity date of individual homes within the line or August 1, 1998, secured by first deeds of trust on land	14,895,610	9,769,567
$20 million bank acquisition and development credit facility, interest payable monthly approximating prime plus .5%, payable at the earlier of funding of construction financing, the maturity date of individual projects within the line or June 19, 2000, secured by first deeds of trust on land	1,569,385	2,393,935
Senior subordinated unsecured notes payable, maturing October 15, 2001, annual interest of 13%, payable semi-annually, principal payable at maturity date with a put to the		

Company at June 30, 1998, at 101% of face value	6,000,000	6,000,000
Other	58,212	64,775
Total	$ 30,248,496	$ 22,892,250

</TABLE>

NOTE 4 - LEGACY HOMES COMBINATION

On May 29, 1997, the Company signed a definitive agreement to combine with Legacy Homes, Ltd., Legacy Enterprises, Inc. and John and Eleanor Landon (together, "Legacy Homes"), which included the homebuilding and related mortgage service business of Legacy Homes Ltd. and its affiliates. This transaction (the "Legacy Combination" or "Combination") was effective on July 1, 1997. Legacy Homes designs, builds and sells entry-level and move-up homes, is headquartered in the Dallas/Forth Worth metropolitan area and was founded in 1988 by its current President, John Landon.

In connection with the Legacy Combination, John Landon entered into a four-year employment agreement with the Company and is currently a Managing Director of the Company and President and Chief Executive Officer of the Company's Texas division. Mr. Landon was also granted an option to purchase 166,667 shares of the Company's common stock and was elected to the Company's Board of Directors.

The following unaudited pro forma information presents a summary of consolidated results of operations of the Company as if the Combination had occurred at January 1, 1997, with pro forma adjustments together with related income tax effects. The pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations that would actually have resulted had the combination been in effect on the date indicated (dollars in thousands).

	Three Months Ended March 31,	
	1998	1997
	Actual	Pro Forma
Home sales revenue	$ 36,513	$ 32,203
Net earnings	$ 5,452	$ 2,264
Diluted earnings per share	$ .90	$ .42

NOTE 5 - EARNINGS PER SHARE

A summary of the reconciliation from basic earnings per share to diluted earnings per share for the three months ended March 31, 1998 and 1997 follows (in thousands, except for per share amounts):

	1998	1997
Net earnings	$5,452	$ 288
Basic EPS - Weighted average shares outstanding	5,306	4,528
Basic earnings per share	$ 1.03	$ .06
Basic EPS - Weighted average shares outstanding	5,306	4,528
Effect of dilutive securities:		
Contingent shares and warrants	131	51
Stock options	641	90
Dilutive EPS - Weighted average shares outstanding	6,078	4,669
Diluted earnings per share	$ .90	$ .06

NOTE 6 - INCOME TAXES

Income tax expense for the three months ended March 31, 1998 was $350,000, and was $25,900 for the three months ended March 31, 1997.

NOTE 7 - RESIDUAL INTEREST AND REAL ESTATE LOAN INTEREST INCOME

Sale of Residual Interests

On February 2, 1998, the Company sold five of its Mortgage Securities for approximately $4.6 million, resulting in pre-tax earnings of approximately $3.2 million.

NOTE 8 - SUBSEQUENT EVENTS

Sale of Residual Interests

On April 1, 1998, the Company sold the last of its Mortgage Securities for $2 million, which resulted in pre-tax earnings of approximately $2 million.

Item 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

This Quarterly Report on Form 10-Q contains forward-looking statements. The words "believe," "expect," "anticipate," and "project" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1993, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may include, but are not limited to, projections of revenues, income or loss, capital expenditures, plans for future operations, financing needs or plans, the impact of inflation, the impact of changes in interest rates, plans relating to products or services of the Company, potential real property acquisitions, and new or planned development projects, as well as assumptions relating to the foregoing.

Statements in Exhibit 99 to this Quarterly Report on Form 10-Q and in the Company's Annual Report on Form 10-K, including the Notes to the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations," describe factors, among others, that could contribute to or cause such differences. Additional factors that could cause actual results to differ materially from those expressed in such forward-looking statements are set forth in "Business" and "Market for the Registrant's Common Stock and Related Stockholder Matters" in the Company's December 31, 1997 Annual Report on Form 10-K.

Results Of Operations

The following discussion and analysis provides information regarding the results of operations of the Company and its subsidiaries for the three months ended March 31, 1998 and March 31, 1997. All material balances and transactions between the Company and its subsidiaries have been eliminated. 1997 results do not include the operations of Legacy Homes. This discussion should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 1997. In the opinion of management, the data reflects all adjustments, consisting only of normal recurring adjustments, necessary to fairly present the Company's financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of results to be expected for a full fiscal year.

Home Sales Revenue

Home sales revenue is the product of the number of units closed during the period and the average sales price per unit. The following table presents comparative first quarter 1998 and 1997 housing revenues for the total Company, and the Arizona and Texas divisions individually (dollars in thousands):

<TABLE>
<CAPTION>

	Quarters Ended March 31, 1998	Quarters Ended March 31, 1997	Dollar/Unit Increase (Decrease)	Percentage Increase (Decrease)
<S>	<C>	<C>	<C>	<C>
Total				
Dollars	$ 36,513	$ 12,573	$ 23,940	190.4%
Units closed	205	40	165	412.5%

Average sales price	$ 178.1	$ 314.3	$ (136.2)	(43.3%)

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>	<C>
Arizona				
Dollars	$13,837	$12,573	$ 1,264	10.1%
Units closed	45	40	5	12.5%
Average sales price	$ 307.5	$ 314.3	$ (6.8)	(2.2%)
Texas*				
Dollars	$22,676	$19,630	$ 3,046	15.5%
Units closed	160	133	27	20.3%
Average sales price	$ 141.7	$ 147.6	$ 5.9	(4%)

*Prior year's Texas information is for comparative purposes only.

</TABLE>

Home sales revenue increased mainly due to the addition of Texas operations along with a 12.5% increase in Arizona closings. In total lower average sales price in 1998 is due to closing lower priced homes in the Texas market, where the Company's focus is on entry-level and move-up homes.

Gross Profit

Gross profit equals home and land sales revenue, net of cost of sales, which includes developed lot costs, unit construction costs, amortization of common community costs (such as the cost of model complex and architectural, legal and zoning costs), interest, sales tax, warranty, construction overhead and closing costs. The following table presents comparative first quarter 1998 and 1997 housing gross profit (dollars in thousands):

<TABLE>
<CAPTION>

	Quarters Ended March 31, 1998	1997	Dollar/Unit Increase	Percentage Increase
<S>	<C>	<C>	<C>	<C>
Dollars	$ 6,887	$ 1,693	$ 5,194	306.8%
Percent of housing revenues	18.9%	13.5%	5.4%	40%

</TABLE>

The dollar increase in gross profit for the three months ended March 31, 1998, is attributable to the number of units closed by the Legacy operations. The gross profit margin increased in 1998 due to generally higher margins generated in Texas and an improvement in overall margins in Arizona.

Residual Interest and Real Estate Interest Income

The increase in residual interest and real estate loan interest income is primarily due to the 1998 sale of mortgage securities, which resulted in a gain of approximately $3.2 million

Selling, General And Administrative Expenses

Selling, general and administrative expenses (SG&A), which include advertising, model and sales office, sales administration, commissions, depreciation, amortization and corporate overhead costs, were $4.2 million for the first quarter of 1998, as compared to $1.9 million for the same period in 1997, an increase of 121%. This change was caused mainly by the inclusion of Legacy operating costs in 1998.

Liquidity And Capital Resources

The Company's principal uses of working capital are land purchases, lot development and home construction. The Company uses a combination of borrowings and funds generated by operations to meet its working capital requirements.

At March 31, 1998, the Company had available short-term secured revolving construction loan facilities totaling $70 million and a $20 million acquisition and development facility, of which approximately $22.6 and $1.6 million were outstanding, respectively. An additional $13.6 million of unborrowed funds supported by approved collateral were available under its credit facilities at such date. The Company also had outstanding $6 million in unsecured, senior subordinated notes due October 15, 2001, which were issued in October 1994. A provision of the senior subordinated bond indenture provides bondholders with the option, at June 30, 1998, to require the Company to buy back the bonds at 101% of face value.

Management believes that the Company's current borrowing capacity, cash on hand at March 31, 1998 and anticipated cash flows from operations are sufficient to meet liquidity needs for the foreseeable future. There can be no assurance, however, that amounts available in the future from the Company's sources of liquidity will be sufficient to meet the Company's future capital needs and the amount and types of indebtedness that the Company may incur may be limited by the terms of the indenture governing its senior subordinated notes and the credit agreements.

Net Orders

Net orders represent the number of units ordered by customers (net of units canceled) multiplied by the average sales price per units ordered. The following table presents comparative first quarter 1998 and 1997 net orders (dollars in thousands):
<TABLE>
<CAPTION>

	Quarters Ended March 31, 1998	1997	Dollar/Unit Increase (Decrease)	Percentage Increase (Decrease)
<S>	<C>	<C>	<C>	<C>
Total				
Dollars	$ 85,973	$ 31,136	$ 54,837	176.1%
Units ordered	505	81	424	523.5%
Average sales price	$ 170.2	$ 384.4	$ (214.2)	(55.7)%
Arizona				
Dollars	$ 27,213	$ 31,136	$ (3,923)	(12.5%)
Units ordered	80	81	(1)	(1.2%)
Average sales price	$ 340.2	$ 384.4	$ (44.2)	(11.5%)
Texas*				
Dollars	$ 58,760	$ 27,237	$ 31,523	115.7%
Units ordered	425	187	238	127.3%
Average sales price	$ 138.3	$ 145.7	$ (7.4)	(5.1%)

</TABLE>

*Prior year's Texas information is for comparative purposes only.

Total net orders increased in the first quarter of 1998 compared to 1997 due to the expansion into Texas and the economic strengths of both the Arizona and Texas markets. Unit orders remained relatively stable in Arizona while dollar orders decreased due to the lower average sales prices in active communities.

The Company does not include sales which are contingent on the sale of the customer's existing home as orders until the contingency is removed. Historically, the Company has experienced a cancellation rate of less than 16% of gross sales.

Net Sales Backlog

Backlog represents net orders of the Company which have not closed. The following table presents comparative 1998 and 1997 net sales backlog for the total Company, and the Arizona and Texas divisions individually (dollars in thousands):
<TABLE>
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	At March 31, 1998	1997	Dollar/Unit Increase (Decrease)	Percentage Increase (Decrease)
Total				
<S>	<C>	<C>	<C>	<C>
Dollars	$ 148,435	$ 61,224	$ 87,211	142.4%
Units in backlog	772	161	611	379.5%
Average sales price	$ 192.3	$ 380.3	$ (188.0)	(49.4%)

Arizona

- -------				
Dollars	$ 70,321	$ 61,224	$ 9,097	14.9%
Units in backlog	203	161	42	26.1%
Average sales price	$ 346.4	$ 380.3	$ (33.9)	(8.9%)
Texas*				
- ------				
Dollars	$ 78,114	$ 36,208	$ 41,906	115.7%
Units in backlog	569	250	319	127.6%
Average sales price	$ 137.3	$ 144.8	$ (7.5)	(5.2%)

</TABLE>

*Prior year's Texas information is included for comparative purposes only.

Total dollar backlog increased 142% over the first quarter of the previous year due to a substantial increase in units partially offset by a decrease in average sales price. Average sales price as a whole has decreased due to the Legacy Combination, where the focus is on entry-level and move-up homes. Units in total backlog have increased mainly due to the Texas expansion.

Arizona dollar backlog increased 15% over the prior year's first quarter due to increased sales, offset slightly by a decrease in average sales price, reflecting the lower sales prices of homes in currently active communities. Texas dollar and unit backlog is up over 1997's first quarter due to increased orders, expansion into the Houston market and the retooling of product offerings in the Austin market to meet the demand of less expensive homes.

Seasonality

The Company has historically closed more units in the second half of the fiscal year than in the first half, due in part to the slightly seasonal nature of the market for their semi-custom, luxury product homes. Management expects that this seasonal trend will continue in the future, but may change slightly as operations expand within the move-up segment of the market.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibit 27 - Financial Data Schedule

Exhibit 99 - Private Securities Reform Act of 1995 Safe Harbor Compliance Statement for Forward - Looking Statements

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the first quarter of 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf by the undersigned thereunto duly authorized.

MONTEREY HOMES CORPORATION
A Maryland Corporation

May 14, 1998

By: \ LARRY W. SEAY

Larry W. Seay
Vice President of Finance & Chief Financial Officer

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EXHIBIT 99

Private Securities Litigation Reform Act of 1995
Safe Harbor Compliance Statement for Forward-Looking Statements

In passing the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), Congress encouraged public companies to make "forward-looking statements" by creating a safe-harbor to protect companies from securities law liability in connection with forward-looking statements. Monterey Homes Corporation (the "Company" or "Monterey") intends to qualify both its written and oral forward-looking statements for protection under the PSLRA.

To qualify oral forward-looking statements for protection under the PSLRA, a readily available written document must identify important factors that could cause actual results to differ materially from those in the forward-looking statements. Monterey provides the following information in connection with its continuing effort to qualify forward-looking statements for the safe harbor protection of the PSLRA.

Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, the following: (i) changes in national and local economic and other conditions, such as employment levels, availability of mortgage financing, interest rates, consumer confidence, and housing demand; (ii) risks inherent in homebuilding activities, including delays in construction schedules, cost overruns, changes in government regulation, increases in real estate taxes and other local government fees; (iii) changes in costs or availability of land, materials, and labor; (iv) fluctuations in real estate values; (v) the timing of home closings and land sales; (vi) the Company's ability to continue to acquire additional land or options to acquire additional land on acceptable terms; (vii) a relative lack of geographic diversification of the Company's operation, especially when (A) real estate analysts are predicting that new home sales in the Phoenix, Arizona metropolitan area may slow significantly during 1997 and 1998 and (B) new home sales in the Tucson, Arizona metropolitan area are expected to remain relatively flat during 1997; (viii) the inability of the Company to obtain sufficient capital on terms acceptable to the Company to fund its planned capital and other expenditures; (ix) changes in local, state and federal rules and regulations governing real estate developing and homebuilding activities and environmental matters, including "no growth" or "slow growth" initiatives, building permit allocation ordinances and building moratoriums; (x) expansion by the Company into new markets in which the Company has no operating experience, such as Texas; (xi) the inability of the Company to identify acquisition candidates that will result in successful combinations; (xii) the failure of the Company to make acquisitions on terms acceptable to the Company; (xiii) the loss of key employees of the Company, including William W. Cleverly, Steven J. Hilton and John R. Landon; and (xiv) factors that may affect the Company's mortgage assets, including general conditions in the financial markets, changes in prepayment rates and changes in interest rates.

Forward-looking statements express expectations of future events. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Due to these inherent uncertainties, the investment community is urged not to place undue reliance on forward-looking statements. In addition, Monterey undertakes no obligations to update or revise forward-looking statements to reflect changed assumptions, the occurrence of anticipated events or changes to projections over time.

(1) "Forward-looking statements" can be identified by use of words such as "expect," "believe," "estimate," "project," "forecast," "anticipate," "plan," and similar expressions.