

BILL OF SALE

SEWER SYSTEM FACILITIES – Approximately 1,919 LF of 8-inch sewer main; approximately 485 LF of 15-inch sewer main; approximately 1,900 LF of 24-inch sewer main; approximately 1,315 LF of 27-inch sewer main; approximately 24 LF of 30-inch sewer main; approximately 13 sewer service laterals ranging in size from 4” to 6” in diameter; and 34 manholes (the “Sewer System Facilities”)

For good and valuable consideration, receipt of which is hereby acknowledged, Shea Marina Village, LLC, a California limited liability company (“SMV”), does hereby transfer and convey to the Marina Coast Water District (the “District”), a County Water District organized under the laws of the State of California, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in that Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the two parties dated December 15, 2005 (“Infrastructure Agreement”), all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated March 2007, Sanitary Sewer Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1 through 12 (G1 and G2 and SS1-SS10) as depicted on Exhibit A attached hereto. The fair market value of the Sewer System Facilities transferred to the District is **\$1,991,000**.

WATER SYSTEM FACILITIES – Approximately 1,380 LF of 8-inch water main; approximately 4,050 LF of 12-inch water main; 7-2-inch water service lines; 8 fire service lines; and 16 fire hydrants (the “Water System Facilities”)

For good and valuable consideration, receipt of which is hereby acknowledged, SMV does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated September 2007, Domestic Water Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1 through 10 (G1-G3 and DW1–DW7) as depicted on Exhibit B attached hereto. The fair market value of the Water System Facilities transferred to the District is **\$893,813**.

RECYCLED WATER SYSTEM FACILITIES – Approximately 975-LF of 4-inch recycled water main; and 1,124-LF of 8-inch recycled water main; 3-2-inch irrigation service lines, and 1 4-inch reduced pressure principle backflow assembly (the “Recycled Water System Facilities” and, together with the Sewer System Facilities and the Water System Facilities, the “Facilities”)

For good and valuable consideration, receipt of which is hereby acknowledged, SMV does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement between the two parties dated December 15, 2005, all right, title, and interest in and to the recycled water installation, including mains, laterals, valves, PRV’s, and other appurtenances to said recycled water installation, constructed and installed in accepted and

recorded easements per Final accepted As-Built Plans dated September 2007, Domestic Water Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1,2,3 and 11 (G1-G3 and DW8), as depicted on Exhibit C attached hereto. The fair market value of the Recycled Water System Facilities transferred to the District is **\$236,187**.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement. SMV represents and warrants that, to the knowledge of SMV, SMV has title to and the legal right to transfer and dispose of the Facilities. The transfer evidenced by this Bill of Sale is subject to the following conditions:

1. District represents and warrants to SMV that, prior to its execution and delivery of this Bill of Sale, District has been given a sufficient opportunity to inspect and investigate the Facilities. Except as expressly set forth in the Infrastructure Agreement, District acknowledges that there are no other implied or express warranties between the parties.

2. By signing below, SMV and District hereby further agree that nothing herein shall be construed as a sale, conveyance, transfer or assignment of any other equipment other than the Facilities.

3. If either party brings suit against the other to enforce or interpret this Bill of Sale, the prevailing party shall be entitled to reasonable attorneys' fees and such other relief as may be awarded by the court.

4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of law or conflict of law principles.

5. If any provision of this Bill of Sale to any extent is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Bill of Sale shall not be affected thereby.

6. This Bill of Sale constitute the entire agreement between the parties concerning the subject matter hereof and has been entered into in reliance solely on the contents hereof and thereof. This Bill of Sale may not be amended or modified except in writing signed by both parties. This Bill of Sale supersede any previous agreements concerning the subject matter hereof, written or oral, between the parties hereto.

7. This Bill of Sale shall be binding upon the successors and assigns of the parties hereto. All representations, warranties, acknowledgments, covenants, releases, and waivers made by District in this Bill of Sale, and all disclaimers made by SMV in this Bill of Sale, and all provisions of this Bill of Sale shall survive the execution and delivery of this Bill of Sale.

8. SMV and District each warrant to the other that it is duly authorized to execute this Bill of Sale, and that such execution is binding upon it without further action or ratification. The parties acknowledge their intent that this Bill of Sale and any related signature or record shall be binding whether created, transmitted or effected by traditional or electronic means. This Bill of Sale may be executed in one or more identical counterparts, each of which when taken together will constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE OF SMV:

SHEA MARINA VILLAGE, LLC
a California limited liability company

By: Shea Properties Management Company, Inc.,
a Delaware corporation, its manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DATED: _____

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,
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.

(Seal)

Signature: _____

