

RECORDING REQUESTED BY

Marina Coast Water District

AND WHEN RECORDED MAIL DOCUMENT TO:

Marina Coast Water District

11 Reservation Road

Marina, Ca. 93933-2099

Space Above This Line for Recorder's Use Only

A.P.N.: 031-164-099-000

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX is **NONE**. Transfer to an exempt governmental agency. R&T Code Section 11922.

Exempt from Recording Fees under Government Code Section 27383; CITY TRANSFER TAX \$;

- [☒] computed on the consideration or full value of property conveyed, OR
[] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[☒] unincorporated area; [] City of , and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **UCP East Garrison LLC, a Delaware limited liability company**

hereby GRANTS to **Marina Coast Water District, a county water district and political subdivision of the State of California.**

the following described property in the unincorporated area of , County of **Monterey**, State of **California**:

Being all of Parcel R1.3, as said Parcel R1.3 is shown and so designated on the Official Map of "Tract 1489", recorded June 28, 2007, in Volume 24 of Cities and Towns, at Page 7, in the Office of the County Recorder of Monterey, State of California.

Excepting therefrom all mineral rights with the right of surface entry as reserved in the "Quitclaim Deed for a Portion of Former Fort Ord, Monterey, California", executed by United States of America, in favor of Fort Ord Reuse Authority ("FORA") , recorded May 19, 2006, Instrument No. 2006045190, Official Records, Monterey County. Said document was re-recorded and amended January 12, 2007, Instrument No. 2007003370, Official Records, Monterey County.

The covenants and restrictions set forth in that certain Quitclaim Deed executed by the United States of America in favor of the Fort Ord Reuse Authority, recorded on May 19, 2006 in Instrument No. 2006045190 Official Records of Monterey County. Said document was re-recorded and amended January 12, 2007, Instrument No. 2007003370, Official Records, Monterey County and applicable to the grantee thereunder and is hereby incorporated herein by reference. Grantee and all successive owners of the portion of the Property conveyed by such deed shall be bound by such covenants and restrictions for the benefit of the United States of America, the Agency and the City.

In its transfer of the Property to FORA, the Government provided certain information regarding the environmental condition of the Property. That same information was provided by FORA in the FORA Deed and also included in the Agency Deed and UCP East Garrison LLC, a Delaware limited liability company Deed. Pursuant to the Government Deed, Grantor is required to provide to any grantee of an interest in the Property the environmental protection provisions contained in the Government Deed. The Grantor has no knowledge regarding the accuracy or adequacy of such information.

The information below is copied verbatim (except as discussed below) from the Grant Deed conveying the Property from FORA. The Grantee hereby acknowledges and assumes all responsibilities with regard to the Property placed upon the Grantor under the terms of the aforesaid Grant Deed to Grantor and Grantor grants to Grantee all benefits with regard to the Property under the terms of the aforesaid Government Deed. Within the information only, the term "Grantor" shall mean the Government, and the term "Grantee" shall mean FORA; to avoid confusion, the words "the United States" have been added in parenthesis after the word "Grantor," and "FORA" has been added in parenthesis after the word "Grantee."

II. EXCLUSIONS AND RESERVATIONS.

This conveyance is made subject to the following **EXCLUSIONS** and **RESERVATIONS**:

A. The Property is taken by the Grantee subject to any and all valid and existing recorded outstanding liens, licenses, leases, easements, and any other encumbrances made for the purpose of roads, streets, utility systems, rights-of-way, pipelines, and/or covenants, exceptions, interests, liens, reservations, and agreements of record, and any unrecorded leases, easements and any other encumbrances made for the purpose of roads, streets, utility systems, rights-of-way, pipelines, and/or covenants, exceptions, interests, reservations and agreements of record between Government and other government entities.

B. The Government reserved a perpetual unassignable right to enter the Property for the specific purpose of treating or removing any unexploded shells, mines, bombs, or other such devices deposited or caused by the Government.

C. The reserved rights and easements set forth in this section are subject to the following terms and conditions:

(1) to comply with all applicable Federal law and lawful existing regulations;

(2) to allow the occupancy and use by the Grantee, its successors, assigns, permittees, or lessees of any part of the easement areas not actually occupied or required for the purpose of the full and safe utilization thereof by the Government, so long as such occupancy and use does not compromise the ability of the Government to use the easements for their intended purposes, as set forth herein;

(3) that the easements granted shall be for the specific use described and may not be construed to include the further right to authorize any other use within the easements unless approved in writing by the fee holder of the land subject to the easement;

(4) that any transfer of the easements by assignment, lease, operating agreement, or otherwise must include language that the transferee agrees to comply with and be bound by the terms and conditions of the original grant;

(5) that, unless otherwise provided, no interest granted shall give the Government any right to remove any material, earth, or stone for consideration or other purpose except as necessary in exercising its rights hereunder; and

(6) to restore any easement area so far as it is reasonably possible to do so upon abandonment or release of any easement as provided herein, unless this requirement is waived in writing by the then owner of the Property.

E. Government reserves mineral rights that Government owns with the right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the Property.

TO HAVE AND TO HOLD the Property unto the Grantee and its successors and assigns forever, provided that this Deed is made and accepted upon each of the following notices, covenants, restrictions, and conditions which shall be binding upon and enforceable against the Grantee, its successors and assigns, in perpetuity, as follows:

III. "AS IS, WHERE IS"

The Property is conveyed in an "As Is, Where Is" condition without any representation, warranty or guarantee, except as required pursuant to applicable law or as otherwise stated herein, by the Government or the Grantee as to quantity, quality, title, character, condition, size, or kind, or that the same is in condition or fit to be used for the purpose for which intended, and no claim for allowance or deduction upon such grounds will be considered. There is no obligation on the part of the Government or the Grantee to make any alterations, repairs, or additions, and the Government the Grantee shall not be liable for any latent or patent defects in the Property. This section shall not affect the Government's responsibility under CERCLA COVENANTS, NOTICE, AND ENVIRONMENTAL REMEDIATION herein.

IV. FEDERAL FACILITIES AGREEMENT (FFA)

The Government and the Grantor acknowledge that former Fort Ord has been identified as a National Priority List (NPL) Site under CERCLA. The Grantee acknowledges that the Government or the Grantor has provided it with a copy of the FFA entered into by the U.S. Environmental Protection Agency ("EPA") Region IX, the State of California, and the United States Department of the Army, effective in February 1990, and will provide the Grantee with a copy of any amendments thereto. The Grantee agrees that should any conflict arise between the terms of the FFA as they presently exist or may be amended, and the provisions of this Property transfer, including the DDA, the terms of the FFA will take precedence. The Grantee further agrees that notwithstanding any other provisions of the Property transfer, the Government and the Grantor assume no liability to the Grantee, should implementation of the FFA interfere with their use of the Property. The Grantee, or any subsequent transferee, shall have no claim on account of any such interference against the Government, Grantor or any officer, agent, employee or contractor of either the Government or the Grantor. The Government agrees to use its best efforts to ensure that any amendment to the FFA will not be inconsistent or incompatible with the Grantee's use of the property and to provide Grantee with a copy of any amendments to the FFA.

V. NOTICE OF HAZARDOUS SUBSTANCE STORAGE

The following is applicable to Parcels E1 1b.3, E11b.4, L23.3.1, L23.3.2.1, L35.6 and L35.7:

The Government hereby notifies the Grantee of the former storage release, or disposal of hazardous substances on the Property. The items typically stored on the Property are listed in

Table 4 of the Finding of Suitability for Transfer ("FOST") which is attached to the USA Deed as Exhibit "D". The information regarding this storage indicates that it was conducted in a manner that would not pose a threat to human health and the environment. This notice is given pursuant to CERCLA and no additional action is necessary under CERCLA to protect

human health and the environment.

VI. CERCLA COVENANTS, NOTICE, AND ENVIRONMENTAL REMEDIATION

A. Pursuant to Section 120(h)(3) of CERCLA, as amended, 42 U.S.C. § 9601 et seq., the FOST, and an environmental baseline survey ("EBS") known as Community Environmental Response Facilitation Act report, which is referenced in the FOST, sets forth the environmental condition of the Property. The FOST sets forth the basis for the Government's determination that the Property is suitable for transfer. The Grantee is hereby made aware of the notifications contained in the EBS and the FOST. The Grantee has inspected the Property and accepts the physical condition and current level of known environmental hazards on the Property and deems the Property to be safe for the Grantee's intended use. The Government represents that the Property is environmentally suitable for transfer to Grantee for the purposes identified in the Final Fort Ord Base Reuse Plan dated December 12, 1994, as amended on June 13, 1997, as approved by the Fort Ord Reuse Authority. If, after conveyance of the Property to Grantee, there is an actual or threatened release of a hazardous substance on the Property or in the event that a hazardous substance is discovered on the Property after the date of the conveyance, whether or not such substance was set forth in the technical environmental reports, including the EBS, Grantee or its successor or assigns shall be responsible for such release or newly discovered substance unless such release or such newly discovered substance was due to the Government's activities, ownership, use, presence on, or occupation of the Property, or the activities of Government's contractors and or agents. Grantee, its successors and assigns, as consideration for the conveyance, agrees to release Government and the Grantor from any liability or responsibility for any claims arising out of or in any way predicated on release of any hazardous substance on the Property occurring after the conveyance, where such hazardous substance was placed on the Property by the Grantee, or its agents or contractors, after the conveyance to the Grantee.

B. The following is applicable to Parcels E1 1b.3, E1 1b.4, L20.19.2, L20.21.1, L20.21.2, L20.22, L23.3.1 and L23.3.2.1, L35.6 and L35.7:

(1) Pursuant to Section 120(h)(3) of CERCLA, the Government hereby notifies the Grantee, its successors and assigns, of the storage, release, and disposal of hazardous substances.

(a) The Government hereby covenants that prior to the date of this conveyance, all corrective, remedial and response actions necessary to protect human health and the environment have been taken.

(b) The Government hereby covenants that all corrective, remedial and response actions necessary to protect human health and the environment with respect to any hazardous substances placed on the Property by the Government and remaining on the Parcels listed in "B", above, after the date of transfer shall be conducted by the Government.

(2) The CERCLA warranty shall not apply in any case in which the person or entity to whom the Parcels listed in "B, above, are transferred is, a "potentially responsible party," as defined under CERCLA Section 107(a)(2)-(4) with respect to such hazardous substances.

(3) Nothing in this Section is intended to, nor shall it be construed to, alter, amend, increase or diminish the parties' rights, liabilities, and duties as set forth more fully in Section 120(h) of CERCLA, 42 U.S.C. § 9620(h).

C. The following is applicable to Parcels E11b.1, E11b.2, L20.14.1.2 and L35.3:

(1) Pursuant to Section 120(h)(4) of CERCLA, the Government has identified in the FOST, a copy of which is attached as Exhibit "D" to the USA Deed, the applicable parcels as real

property on which no hazardous substances and no petroleum products or their derivatives were stored for one year or more, or known to have been released or disposed of.

(2) The Government covenants and warrants to the Grantee and its successors and interest that in the event that any response action or corrective action is found to be necessary after the date of this conveyance attributable to Army activities and as a result of hazardous substances or petroleum products contamination existing on the applicable parcels prior to the date of this conveyance, such response action or corrective action shall be conducted by the Government using all reasonable means to the extent practicable to avoid and/or minimize interference with the use of the Property.

(3) The CERCLA warranty in Paragraph VI.C.(2) shall not apply in any case in which a person or entity to whom all or a portion of the applicable parcels are transferred is a potentially responsible party with respect to the applicable parcels.

D. The following is applicable to Parcel L35.3.

(1) Pursuant to Section 120 (h)(4) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. Section 9601 et seq. ("CERCLA"), the Grantor ("the Government") has identified, in the Finding of Suitability to Transfer (FOST), a copy of which has been provided to the Grantee ("FORA"), the Parcel as real property on which no hazardous substances and no petroleum products or their derivatives were stored for one year or more, or known to have been released or disposed of.

(2) The Grantor ("the Government") covenants and warrants to the Grantee ("FORA") and its successors in interest that in the event that any response action or corrective action is found to be necessary after the date of this conveyance attributable to Army activities and as a result of hazardous substances or petroleum products contamination existing on the Parcel prior to the date of this conveyance, such response action or corrective action shall be conducted by the Grantor ("the Government").

(3) This covenant shall not apply in any case in which a person or entity to whom all or a portion of the Parcel is transferred is a potentially responsible party with respect to the Parcel.

E. The following is applicable to the Property:

(1) The Government, the Grantor, EPA and the California Department of Toxic Substance Control ("DTSC"), and their officers, agents, employees, contractors, and subcontractors will have the right, upon reasonable notice to the Grantee, to enter upon the Property in any case in which a response or corrective action is found to be necessary, after the date of transfer of the Property, or such access is necessary to carry out a response action or corrective action on adjoining property, at no cost to the Government or Grantor, including, without limitation, the following activities:

(a) to conduct investigations and surveys, including where necessary, drilling, soil and water sampling, test-pitting, and other activities related to the Fort Ord Installation Restoration Program ("IRP"), Ordnance and Explosives ("OE") program, or FFA;

(b) to inspect field activities of the Army and its contractors and subcontractors with regards to implementing the Fort Ord TRP, OE program, or FFA;

(c) to conduct any test or survey related to the implementation of the JRP by the EPA or the DTSC relating to the implementation of the FFA or environmental conditions at Fort Ord or to verify any data submitted to the EPA or the DTSC by the Government relating to such conditions; and

(d) to construct, operate, maintain or undertake any other investigation, corrective measure, response, or remedial action as required or necessary under any Fort Ord FFA, Record of Decision ("ROD"), IRP or OE program requirement, including, but not limited to monitoring wells, pumping wells, and treatment facilities.

(2) In exercising this access easement, except in case of imminent endangerment to human health or the environment, the Government or the Grantor shall give the Grantee, or the then record owner, reasonable prior notice. Grantee agrees that, notwithstanding any other provisions of the Deed, the Government and the Grantor assume no liability to the Grantee, its successors or assigns, or any other person, should remediation of the Property interfere with the use of the Property. The Grantee shall not, through construction or operation/maintenance activities, interfere with any remediation or response action conducted by the Government under this paragraph. The Grantee, the then record owner, and any other person shall have no claim against the Government or the Grantor or any of their officers, agents, employees or contractors solely on account of any such interference resulting from such remediation.

(3) Without the express written consent of the Government in each case first obtained, neither the Grantee, its successors or assigns, nor any other person or entity acting for or on behalf of the Grantee, its successors or assigns, shall interfere with any response action being taken on the Property by or on behalf of the Government, or interrupt, relocate, or otherwise interfere with any remediation system now or in the future located, over, through, or across any portion of the Property.

F. This notice is provided pursuant to CERCLA 120(h)(1) and (3). A pump-and-treat groundwater remediation system for Operable Unit ("OU") 2 (not located on the Property) is in place and shown to be operating effectively. A Covenant to Restrict Use of Property ("CRUP") within the "Groundwater Protection Zone" has been established among the Government, DTSC and the California Regional Water Quality Control Board, Central Coast Region, recorded in the County of Monterey, California on September 28, 2004, Series Number 2004103512. Drilling of water wells or use or access to groundwater beneath the Property, is prohibited without prior written approval by the above parties as described in the CRUP.

VII. INDEMNITY

The Government recognizes its obligation to hold harmless, defend, and indemnify the Grantee and any successor, assignee, transferee, lender, or lessee of the Grantee or its successors and assigns, as required and limited by Section 330 of the National Defense Authorization Act of 1993, as amended, (10 U.S.C. § 2687, note), and to otherwise meet its obligations under Federal law.

VIII. NOTICE OF THE PRESENCE OF ASBESTOS AND COVENANT

The following is applicable to Parcels L23.3.1 and L23.3.2.1

A. The Grantee is hereby informed and does acknowledge that friable and non-friable asbestos or asbestos-containing material ("ACM") have been found on the applicable parcels, as described in the referenced asbestos survey and summarized in the Environmental Baseline Surveys for the California State University Monterey Bay Parcel, the Main Garrison Parcels, Surplus II Parcels, and the UC Santa Cruz Parcel.

B. Several buildings have been determined to contain friable and non-friable asbestos that may pose a threat to human health. Detailed information is contained in the Asbestos Survey Report, Fort Ord Installation (April 26, 1993). The remaining buildings contain non-friable

ACM rated in good to fair condition. The Government agreed to transfer said buildings and structures prior to remediation of asbestos hazards, in reliance upon each successive Grantee's express representation and promise that each such Grantee will, prior to use or occupancy of said buildings, demolish said buildings or the portions thereof containing friable asbestos, disposing of ACM in accordance with applicable laws and regulations. With respect to the friable asbestos in said buildings and structures, the Grantee specifically agrees to undertake any and all abatement or remediation that may be required under CERCLA 120(h)(3) or any other applicable law or regulation. The Grantee acknowledges that the consideration for the conveyance of the applicable parcels was negotiated based upon the Grantee's agreement to the provisions contained in this section.

C. The Grantee covenants and agrees that its use and occupancy of the applicable parcels will be in compliance with all applicable laws relating to asbestos; and that neither the Grantor nor the Government assumes no liability for any future remediation of asbestos or future damages for personal injury, illness, disability, or death, to the Grantee, its successors or assigns, or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos or ACM on the applicable parcels, whether the Grantee, its successors or assigns have properly warned or failed to properly warn the individual(s) injured. The Grantee agrees to be responsible for any future remediation of asbestos found to be necessary on the applicable parcels as a result of the Grantee's activities. The Grantee assumes no liability for damages for personal injury, illness, disability, death or property damage arising from (i) any exposure or failure to comply with any legal requirements applicable to asbestos on any portion of the applicable parcels arising prior to the Government's conveyance of such portion of the applicable parcels to any of the Grantee's predecessors, or (ii) any disposal, prior to the Government's conveyance of the applicable parcels, of any asbestos or ACM.

D. Unprotected or unregulated exposures to asbestos in product manufacturing, shipyard, and building construction workplaces have been associated with asbestos-related diseases. Both Occupational Safety and Health Administration ("OSHA") and the EPA regulate asbestos because of the potential hazards associated with exposure to airborne asbestos fibers. Both OSHA and EPA have determined that such exposure increases the risk of asbestos-related diseases, which include certain cancers and which can result in disability or death.

E. The Grantee acknowledges that it has inspected the applicable parcels as to their asbestos content and condition and any hazardous or environmental conditions relating thereto prior to accepting the responsibilities imposed upon the Grantee under this section. The failure of the Grantee to inspect, or to be fully informed as to the asbestos condition of all or any portion of the applicable parcels offered, will not constitute grounds for any claim or demand against the Grantor or the Government, or any adjustment under this Deed.

F. The Grantee further agrees to indemnify and hold harmless the Grantor, the Army, its officers, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorneys' fees arising out of, or in any manner predicated upon, future exposure to asbestos on any portion of the applicable parcels after this conveyance of the applicable parcels to the Grantee or any future remediation or abatement of asbestos or the need therefor. The Grantee's obligation hereunder shall apply whenever the Grantor or the Government incurs costs or liabilities for actions giving rise to liability under this section.

IX. LEAD-BASED PAINT WARNING AND COVENANT

A. The following is applicable to Parcels E1 1b.3, E1 1b.4, L23.3.1, L23.3.2.1, L35.6 and L35.7:

(1) The Grantee ("FORA") is hereby informed and does acknowledge that all buildings on the applicable parcels, which were constructed or rehabilitated prior to 1978, are presumed to

contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Every purchaser of any interest in Residential Real Property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. "Residential Real Property" means dwelling units, common areas, building exterior surfaces, and any surrounding land, including outbuildings, fences and play equipment affixed to the land, available for use by residents, and child occupied buildings visited regularly by the same child, 6 years of age or under, on at least two different days within any week, including day-care centers, preschools and kindergarten classrooms, but not including land used for agricultural, commercial, industrial, or other non-residential purposes, and not including paint on the pavement of parking lots, garages, or roadways.

(2) Buildings constructed prior to 1978 are assumed to contain lead-based paint. Buildings constructed after 1977 are assumed to be free of lead-based paint. No sampling for lead within the buildings on the applicable Parcels has occurred. However, limited sampling for lead-based paint was conducted in former barracks buildings located on property immediately north of Parcel L32.2.2, which is not a Parcel being conveyed

E. The Grantee acknowledges that it has inspected the applicable parcels as to their asbestos content and condition and any hazardous or environmental conditions relating thereto prior to accepting the responsibilities imposed upon the Grantee under this section. The failure of the Grantee to inspect, or to be fully informed as to the asbestos condition of all or any portion of the applicable parcels offered, will not constitute grounds for any claim or demand against the Grantor or the Government, or any adjustment under this Deed.

F. The Grantee further agrees to indemnify and hold harmless the Grantor, the Army, its officers, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorneys' fees arising out of, or in any manner predicated upon, future exposure to asbestos on any portion of the applicable parcels after this conveyance of the applicable parcels to the Grantee or any future remediation or abatement of asbestos or the need therefor. The Grantee's obligation hereunder shall apply whenever the Grantor or the Government incurs costs or liabilities for actions giving rise to liability under this section.

IX. LEAD-BASED PAINT WARNING AND COVENANT

A. The following is applicable to Parcels E1 1b.3, E1 1b.4, L23.3.1, L23.3.2.1, L35.6 and L35.7:

(1) The Grantee ("FORA") is hereby informed and does acknowledge that all buildings on the applicable parcels, which were constructed or rehabilitated prior to 1978, are presumed to contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Every purchaser of any interest in Residential Real Property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. "Residential Real

Property” means dwelling units, common areas, building exterior surfaces, and any surrounding land, including outbuildings, fences and play equipment affixed to the land, available for use by residents, and child occupied buildings visited regularly by the same child, 6 years of age or under, on at least two different days within any week, including day—care centers, preschools and kindergarten classrooms, but not including land used for agricultural, commercial, industrial, or other non-residential purposes, and not including paint on the pavement of parking lots, garages, or roadways.

(2) Buildings constructed prior to 1978 are assumed to contain lead-based paint. Buildings constructed after 1977 are assumed to be free of lead-based paint. No sampling for lead within the buildings on the applicable Parcels has occurred. However, limited sampling for lead-based paint was conducted in former barracks buildings located on property immediately north of Parcel L32.2.2, which is not a Parcel being conveyed under this Deed (Industrial Hygiene Survey No. 55-71-R25A-94). One or more of the former barracks interior and/or exterior surface components (e.g., walls, doors, window sills, door frames, etc.) tested positive for lead-based paint. Those barracks sampled were of the same construction type and were constructed in the same year (1954) as former barracks located on Parcel L32.2.2 (Buildings 4552 and 4562) and Parcel L32.4.1.1, neither of which is a Parcel being conveyed under this Deed (Buildings 4430, 4432, 4434, 4436, 4440, 4442, 4444, and 4446). Limited sampling for lead in soil surrounding some buildings at former Fort Ord has been completed. Soil samples were collected from soil surrounding 10 buildings in Parcel L23.3.2.1 (Buildings 6, 10, 20, 14, 16, 36, 71, 75, 82, and 108). The average concentration of lead detected in soil was 263 milligrams per kilogram (mg/kg) with a maximum concentration of 2,211 mg/kg detected at Building 6 (Lead In Soil Survey For Ten Buildings At The East Garrison, Fort Ord, California, April 8, 1998). As agreed upon in an agency meeting on August 29, 1997, lead analytical results from soil samples collected adjacent to buildings on the Peninsula Outreach and the Marina Sports Center parcels can be used to represent lead concentrations in soil around the buildings on the Main Garrison Parcels, none of which is being conveyed under this Deed (E2b.1.1.1, E2b.1.1.2, E2b.1.2, E2b.1.3, E2b.1.4, E2b.2.1, E2b.2.3, E2b.2.4, E2b.3.1.1, E2c.3.1, E2c.3.2, E2c.3.3, E2c.4.2.1, E2d.1, E2d.2, L12.2.2, L12.2.3, L12.3, L23.1.2, L23.1.3, L23.1.4, and L35.1) which were constructed of similar materials and during similar time periods. Average concentrations of lead detected in soil around the buildings on the Peninsula Outreach and Marina Sports Center parcels were 99.4 and 228 mg/kg, respectively. The maximum background concentration for lead in soil at Fort Ord is 51.8 mg/kg (Draft Final Basewide Background Soil Investigation, Fort Ord, California, March 15, 1993). The Federal Preliminary Remediation Goal (“PRG”) for residential non-play area bare soil is 1,200 mg/kg. All purchasers must receive the Federally approved pamphlet on lead poisoning prevention. The Grantee hereby acknowledges receipt of all of the information described in this subparagraph.

(3) The Grantee acknowledges that it has received the opportunity to conduct its own risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards prior to execution of this document.

(4) The Grantee covenants and agrees that it shall not permit the occupancy or use of any buildings or structures on Parcels L35.6 and L35.7 as Residential Real Property, as defined in paragraph A, above, without complying with this section and all applicable Federal, State, and local laws and regulations pertaining to lead-based paint and/or lead-based paint hazards. Prior to permitting the occupancy of the applicable parcels where its use subsequent to sale is intended for residential habitation, the Grantee specifically agrees to perform, at its sole expense, the Army’s abatement requirements under Title X of the Housing and Community Development Act of 1992 (Residential Lead-Based Paint Hazard Reduction Act of 1992) (hereinafter Title X).

(5) The Grantee shall, after consideration of the guidelines and regulations established pursuant to Title X: (1) Perform a reevaluation of the Risk Assessment if more than 12

months have elapsed since the date of the last Risk Assessment; (2) Comply with the joint HUD and EPA Disclosure Rule (24 CFR 35, Subpart H, 40 CFR 745, Subpart F), when applicable, by disclosing to prospective purchasers the known presence of lead-based paint and/or lead-based paint hazards as determined by previous risk assessments;

(3) Abate lead dust and lead-based paint hazards in pre-1960 residential real property, as defined in paragraph A, above, in accordance with the procedures in 24 CFR 35; (4) Abate soil-lead hazards in pre-1978 residential real property, as defined in paragraph A, above, in accordance with the procedures in 24 CFR 35; (5) Abate lead-soil hazards following demolition and redevelopment of structures in areas that will be developed as residential real property; (6) Comply with the EPA lead-based paint work standards when conducting lead-based paint activities (40 CFR 745, Subpart L); (7) Perform the activities described in this paragraph within 12 months of the date of the lead-based paint risk assessment and prior to occupancy or use of the residential real property; and (8) Send a copy of the clearance documentation to the Grantor and the Government.

(6) In complying with these requirements, the Grantee covenants and agrees to be responsible for any abatement or remediation of lead-based paint or lead-based paint hazards on the applicable parcels found to be necessary as a result of the subsequent use of the applicable parcels for residential purposes. The Grantee covenants and agrees to comply with solid or hazardous waste laws that may apply to any waste that may be generated during the course of lead-based paint abatement activities.

(7) The Grantee further agrees to indemnify and hold harmless the Grantor and the Army, its officers, agents and employees, from and against all suits, claims, demands, or actions, liabilities, judgments, costs and attorney's fees arising out of, or in a manner predicated upon personal injury, death or property damage resulting from, related to, caused by or arising out of lead-based paint or lead-based paint hazards on the applicable parcels if used for residential purposes.

(8) The covenants, restrictions, and requirements of this Section shall be binding upon the Grantee, its successors and assigns and all future owners and shall be deemed to run with the land. The Grantee on behalf of itself, its successors and assigns covenants that it will include and make legally binding, this Section in all subsequent transfers, leases, or conveyance documents.

X. NOTICE OF THE POTENTIAL FOR THE PRESENCE OF PESTICIDES AND COVENANT

A. The Grantee is hereby informed and does acknowledge that pesticides may be the presence of pesticides does not currently pose a threat to human health present on the Property. To the best of the Government's knowledge, health or the environment, and the use and application of any pesticide product by the the Government was in accordance with its intended purpose, and in accordance with CERCLA § 107 (i), which states:

"No person (including the Government or any State or Indian tribe) may recover under the authority of this section for any response costs or damages resulting from the application of a pesticide product registered under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.). Nothing in this paragraph shall affect or modify in any way the obligations or liability of any person under any other provision of State or Federal law, including common law, for damages, injury, or loss resulting from a release of any hazardous substance or for removal or remedial action or the costs of removal or remedial action of such hazardous substance."

B. Upon request, the Government agrees to furnish to the Grantee any and all records in its possession related to the use of the pesticides necessary for the continued compliance by the Grantee with applicable laws and regulations related to the use of pesticides.

C. The Grantee covenants and agrees that its possession, potential use and continued management of the Property, including any demolition of structures, will be in compliance with all applicable laws relating to hazardous substance/pesticides and hazardous wastes.

XI. NOTICE OF THE POTENTIAL FOR THE PRESENCE OF POLYCHLORINATED BIPHENYLS ("PCBs")

The following is applicable to Parcels L23.3.1, and L23.3.2.1:

A. PCBs have been widely used as coolants and lubricants in transformers, capacitors and other electrical equipment like fluorescent light ballasts. EPA considers PCBs to be probable cancer causing chemicals, in humans. PCB and PCB-contaminated equipment that will be disposed of must be stored in a hazardous storage facility. The Grantee is hereby informed that fluorescent light ballasts containing PCBs are present on the applicable parcels. The PCB-containing light ballasts do not currently pose a threat to human health or the environment when managed properly. All PCB-containing equipment is presently in full compliance with applicable laws and regulations.

B. Upon request, the Army agrees to furnish to the Grantee any and all records in its possession related to such PCB equipment necessary for the continued compliance by the Grantee with applicable laws and regulations related to the use and storage of PCBs or PCB-containing equipment.

C. The Grantee covenants and agrees that its continued possession, use, and management of any PCB-containing equipment will be in compliance with all applicable laws relating to PCBs and PCB-containing equipment and that the Army shall assume no liability for the future remediation of PCB contamination or future damages for personal injury, illness, disability, or death to the Grantee, its successors or assigns, or to any other person, including members of the general public arising from or incident to future use, handling, management, disposition, or other activity causing or leading to contact of any kind whatsoever with PCBs or PCB-containing equipment, whether the Grantee, its successors or assigns have properly warned or failed to properly warn the individual(s) injured. The Grantee agrees to be responsible for any future remediation of PCBs or PCB-containing equipment found to be necessary on the applicable parcels.

D. This section shall not affect the Government's responsibility under CERCLA COVENANTS, NOTICE, AND ENVIRONMENTAL REMEDIATION and under INDEMNITY herein.

XII. NOTICE OF THE PRESENCE OF CONTAMINATED GROUNDWATER

A. The groundwater beneath portions of the Property is contaminated with volatile organic compounds ("VOCs"), primarily trichloroethene ("TCE"). The maximum TCE concentration in the groundwater beneath Parcel E2b.2.1, which is not a part of this Deed, is 280 micrograms per liter (September 2001) as measured in the groundwater extraction Well EW-12-02-180M. The maximum concentrations of the chemicals of concern (associated with the OU2 and Sites 2/12 groundwater plumes) detected in the groundwater monitoring wells on the property (September 2001) are listed below. The quantity released of these compounds is unknown. The OU2 and Sites 2/12 groundwater aquifer cleanup levels ("ACLs"), presented in the OU2 and Basewide Remedial Investigation Sites Record of Decision ("RODs"), are provided for comparison.

B. A recorded Covenant to Restrict Use of Property ("CRUP") within the "Groundwater Protection Zone" has been established between the Government, DTSC, and the California Regional Water Quality Control Board, Central Coast Region.

C. The Grantee covenants for itself, its successors, and assigns not to: access or use

groundwater underlying the Property, excluding Parcels L20.9 and L20. 10.3, which are not part of this Deed, for any purpose. For the purpose of this restriction, "groundwater" shall have the same meaning as in section 101(12) of CERCLA. The Grantee, for itself, its successors or assigns covenants that it will not undertake nor allow any activity on or use of the Property that would violate the restrictions contained herein. These restrictions and covenants are binding on the Grantee, its successors and assigns; shall run with the land; and are forever enforceable by the parties identified in Section XII.D.

D. The restrictions and conditions stated in Section XII.C benefit the public in general and the territory surrounding the property, including lands retained by the Government, and, therefore, are enforceable by the Government") and the State of California. The Grantee covenants for itself, its successors, and assigns that it shall include and otherwise make legally binding, the restrictions in Section XII.C in all subsequent lease, transfer or conveyance documents relating to the Property subject hereto.

E. The Grantor ("the Government") and its representatives shall, for all time, have access to the Property for the purpose of installing and/or removing groundwater monitoring wells, and to perform continued monitoring of groundwater conditions, allowing chemical and/or physical testing of wells to evaluate water quality and/or aquifer characteristics. The Property owner shall allow ingress and egress of all equipment necessary to accomplish the same.

XIII. NOTICE OF THE POTENTIAL FOR THE PRESENCE OF ORDNANCE AND EXPLOSIVES

A. Ordnance and explosives (OE) investigations indicate that it is not likely that OE is located within the Property. However, there is a potential for OE to be present because OE was used throughout the history of Fort Ord. In the event the Grantee, its successors, and assigns, should discover any ordnance on the Property, they shall not attempt to remove or destroy it, but shall immediately complete Section A of the Ordnance and Explosives Incident Reporting Form, fax the form to the Presidio of Monterey Police Department at (831) 242-7740 and notify the Presidio of Monterey Police Department via telephone at (831) 242-7851 and competent Government or Government-designated explosive ordnance personnel will promptly be dispatched to dispose of such ordnance at no expense to the Grantee. The Grantee hereby acknowledges receipt of the "Ordnance and Explosives Safety Alert" pamphlet and the Ordnance and Explosives Incident Reporting Form.

B. In addition, the Army offers OE familiarization training to anyone conducting ground disturbance activities (digging holes, excavating trenches, repairing underground utilities, etc.) at the former Fort Ord. The OE Safety Specialist conducts a thirty-minute training session. This training session includes a lecture on what OE might be found, the procedure to follow if something is found and "Safety Alert" brochures are also distributed. To schedule this training, please contact the Directorate of Environmental and Natural Resources at (831) 242-7919.

C. The Government reserves the right to conduct any remedial action and/or investigation that the Army is responsible for, as required or necessary as a result of the ongoing OE Remedial Investigation/Feasibility Study.

XIV. ENDANGERED SPECIES

The Grantee, its successors or assigns shall comply with the requirements, if any and if applicable, of the Fort Ord Installation-Wide Multi-species Habitat Management Plan ("HMP") for Former Fort Ord, California.

A. The Property is within HMP Development Areas. No resource conservation requirements are associated with the HMP for these parcels. However, small pockets of habitat may be

preserved within and around the Property.

B. The Biological Opinion identifies sensitive biological resources that may be salvaged for use in restoration activities within reserve areas, and allows for development of the Property.

C. The HMP does not exempt the Grantee from complying with environmental regulations enforced by Federal, State, or local agencies. These regulations could include obtaining the Endangered Species Act ("ESA") (16 U.S.C. § 1531-1544 et seq.) Section 7 or Section 10(a) permits from the U.S. Fish and Wildlife Service ("USFWS"); complying with prohibitions against the taking of listed animals under ESA Section 9, complying with prohibitions against the removal of listed plants occurring on Federal lands or the destruction of listed plants in violation of any State laws; complying with measures for conservation of State- listed threatened and endangered species and other special-status species recognized by California Department of Fish and Game ("DFG") under the California ESA, or California Environmental Quality Act ("CEQA"); and complying with local land use regulations and restrictions.

D. The HMP serves as a management plan for both listed and candidate species, and is a prelisting agreement between the USFWS and the local jurisdiction for candidate species that may need to be listed because of circumstances occurring outside the area covered by the HMP.

E. Implementation of the HMP would be considered suitable mitigation for impacts to HMP species within HMP prevalent areas and would facilitate the USFWS procedures to authorize the incidental taking of these species by participating entities as required under ESA Section 10. No further mitigation will be required to allow development on the Property unless species other than the HMP target species are proposed for listing or are listed.

F. The HMP does not authorize the incidental taking of any species listed as threatened or endangered under the ESA by entities acquiring land at the former Fort Ord. The USFWS has recommended that all non federal entities acquiring land at former Fort Ord apply for ESA Section 10(a)(1)(B) incidental taking permits for the species covered in the HMP. The definition of "take" under the ESA includes to harass, harm, hunt, shoot, wound, kill, trap, capture, or collect, or attempt to engage in any such conduct. Although the USFWS will not require further mitigation from entities that are in conformance with the HMP, those entities without incidental taking authorization would be in violation of the ESA if any of their actions resulted in the taking of a listed animal species. To apply for a Section 10(a)(1)(B) incidental taking permit, an entity must submit an application form (Form 3-200), a complete description of the activity sought to be authorized, the common and scientific names of the species sought to be covered by the permit, and a conservation plan (50 CFR 17.22[b]).

G. The Grantee acknowledges that it has read the HMP dated April 1997, and will cooperate with adjacent property owners in implementing mitigation requirements identified in the HMP for adjacent sensitive habitat areas.

XV. NOTICE OF HISTORIC PROPERTY AND PRESERVATION

The following applies to Parcel L23.3.2.1:

Grantee and the California State Historic Preservation Officer have enter into the Agreement and Covenant for the Transfer of East Garrison Historic District, Fort Ord, California, dated August 3, 2004 ("Historic Preservation Covenant"). The Historic Preservation Covenant was recorded on October 15, 2004, Document Number: 2004110087 and shall be deemed to satisfy the Environmental Protection Provisions, Attachment I to the FOST attached as Exhibit C to the USA Deed.

XVI. AIR NAVIGATION RESERVATION AND RESTRICTIONS

The Monterey Airport and the former Fritzsche Airfield, now known as the Marina Municipal Airport, are in close proximity to the Property. Accordingly, in coordination with the Federal Aviation Administration, the Grantee covenants and agrees, on behalf of it, its successors and assigns and every successor in interest to the Property herein described, or any part thereof, that, when applicable, there will be no construction or alteration unless a determination of no hazard to air navigation is issued by the Federal Aviation Administration in accordance with Title 14, Code of Federal Regulations, Part 77, entitled, Objects Affecting Navigable Airspace, or under the authority of the Federal Aviation Act of 1968, as amended.

XVII. ENFORCEMENT AND NOTICE REQUIREMENT

A. The provisions of this Deed benefit the governments of the United States of America, the State of California, acting on behalf of the public in general, the local governments, and the lands retained by the Grantor and the Government and, therefore, are enforceable, by resort to specific performance or legal process by the United States, the State of California, the local governments, and by the Grantor, and its successors and assigns. Enforcement of this Deed shall be at the discretion of the parties entitled to enforcement hereof, and any forbearance, delay or omission to exercise their rights under this Deed in the event of a breach of any term of this Deed, shall not be deemed to be a waiver by any such party of such term or of any subsequent breach of the same or any other terms, or of any of the rights of said parties under this Deed. All remedies available hereunder shall be in addition to any and all other remedies at law or in equity, including CERCLA. The enforcement rights set forth in this Deed against the Grantee or its successors and assigns, shall only apply with respect to the Property conveyed herein and held by such Grantee, its successors or assigns, and only with respect to matters occurring during the period of time such Grantee, its successors or assigns, owned or occupied such Property or any portion thereof.

B. The Grantee, its successors or assigns, shall neither transfer the Property, nor any portion thereof, nor grant any interest, privilege, or license whatsoever in connection with the Property without the inclusion, to the extent applicable to the Property or any portion thereof, of the environmental protection provisions contained in this Deed: Exclusions and Reservations, Federal Facilities Agreement ("FFA"); CERCLA Covenants, Notice, and Environmental Remediation; Notice of the Presence of Asbestos and Covenant; Lead-Based Paint Warning and Covenant; Notice of Hazardous Substance Storage; Notice of the Potential for the Presence of Pesticides and Covenant; Notice of the Potential for the Presence of Polychlorinated Biphenyls ("PCBs"); Notice of the Presence of Contaminated Groundwater; Notice of the Potential for the Presence of Ordnance and Explosives; Endangered Species, Air Navigation Reservation and Restrictions, Enforcement and Notice Requirement, Notice of Historic Property and Preservation; and Notice of the Presence of the Fort Ord Landfill; and shall require the inclusion, to the extent applicable, of such environmental protection provisions in all further deeds, transfers, leases, or grant of any interest, privilege, or license.

C. The obligations imposed in this section upon the successors or assigns of Grantee shall only extend to the Property conveyed to any such successor or assign.

XVIII. OTHER CONDITIONS

Should the Property be considered for the proposed acquisition and construction of school properties utilizing State funding, at any time in the future, a separate environmental review process in compliance with the California Education Code Section 17210 et seq., will need to

be conducted and approved by DTSC.

XIX. NOTICE OF NON-DISCRIMINATION

With respect to activities related to the Property, the Grantee covenants for itself, its successors and assigns, that the Grantee, and such successors and assigns, shall not discriminate upon the basis of race, color, religion, sex, age, handicap, or national origin in the use, occupancy, sale or lease of the Property, or in their employment practices conducted thereon in violation of the provisions of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d); the Age Discrimination Act of 1975 (42 U.S.C. § 6102); and the Rehabilitation Act of 1973, as amended, (29 U.S.C. § 794). The Government shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein in the vicinity of the Property hereby conveyed, and shall have the sole right to enforce this covenant in any court of competent jurisdiction.

The responsibilities and obligations placed upon, and the benefits provided to, the Grantor by the Government and FORA shall run with the land and be binding on and inure to the benefit of all subsequent owners of the Property unless or until such responsibilities, obligations, or benefits are released pursuant to the provisions set forth in the MOA and the USA Deeds. Grantee and its successors and assigns, respectively, shall not be liable for any breach of such responsibilities and obligations with regard to the Property arising from any matters or events occurring after transfer of ownership of the Property by Grantee or its successors and assigns, respectively; provided, however, that each such party shall, notwithstanding such transfer, remain liable for any breach of such responsibilities and obligations to the extent caused by the fault or negligence of such party.

General Provisions:

A. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Deed shall be liberally construed to effectuate the purpose of this Deed and the policy and purpose of CERCLA. If any provision of this Deed is found to be ambiguous, an interpretation consistent with the purpose of this Deed that would render the provision valid shall be favored over any interpretation that would render it invalid.

B. Severability. If any provision of this Deed, or the application of it to any person or circumstance, is found to be invalid, the remainder of the provisions of this Deed, or the application of such provisions to persons or circumstances other than those to which it is found to be invalid, shall not be affected thereby.

C. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of title in any respect.

D. Captions. The captions in this Deed have been inserted solely for convenience of reference and are not a part of this Deed and shall have no effect upon construction or interpretation.

E. Right to Perform. Any right which is exercisable by the Grantee, and its successors and assigns, to perform under this Deed may also be performed, in the event of non-performance by the Grantee, or its successors and assigns, by a lender of the Grantee and its successors and assigns.

The conditions, restrictions, and covenants set forth in this Deed are a binding servitude on the herein conveyed Property and will be deemed to run with the land in perpetuity. Restrictions, stipulations and covenants contained herein will be inserted by the Grantee verbatim or by express reference in any deed or other legal instrument by which it divests itself of either the fee simple title or any other lesser estate in the Property or any portion thereof. All rights and powers reserved to the Grantor, and all references in this Deed to Grantor shall include its successors in interest. The Grantor may agree to waive, eliminate, or reduce the obligations contained in the covenants, PROVIDED, HOWEVER, that the failure of the Grantor or its successors to insist in any one or more instances upon complete performance of any of the said conditions shall not be construed as a waiver or a relinquishment of the future performance of any such conditions, but the obligations of the Grantee, its successors and assigns, with respect to such future performance shall be continued in full force and effect.

Date: **07/24/2012**

A.P.N.: 031-164-009-000

Dated: _____

UCP East Garrison
LLC

STATE OF _____)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.

Signature

My Commission Expires: _____

This area for official notarial seal

Notary Name: _____

Notary Phone: _____

Notary Registration Number: _____

County of Principal Place of Business: _____