

BILL OF SALE

SEWER SYSTEM FACILITIES – SEE EXHIBIT A-1

For good and valuable consideration for sewer service installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installations, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per approved plans dated May 2007, East Garrison Phase 1 Off-Site Improvement Plans from plan sheets 1-22 and May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 1-76 and 93A – 97; see Exhibit A-1 for a summary depiction of sewer system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is \$1,631,830.

WATER SYSTEM FACILITIES – SEE EXHIBIT A-2

For good and valuable consideration for water service installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installations, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per approved plans dated May 2007, East Garrison Phase 1 Off-Site Improvement Plans from plan sheets 1-22 and May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 1-76 and 93A – 97; see Exhibit A-2 for a summary depiction of water system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$1,801,870.

RECYCLED WATER SYSTEM FACILITIES – SEE EXHIBIT A-3

For good and valuable consideration for recycled water installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the recycled water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said recycled water installation, constructed and installed in accepted and recorded easements per approved plans dated May 2007, East Garrison Phase 1 Off-Site Improvement Plans from plan sheets 1-22 and May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 1-76 and 93A – 97; see Exhibit A-3 for a summary depiction of recycled water system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the recycled water system transferred to the District is \$386,380.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated March 27, 2012 between UCP EAST GARRISON, LLC (“UCP”) and Marina Coast Water District. UCP represents and warrants that, to the knowledge of UCP, its members, officers, and employees, UCP has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets specified above are formally attached hereto by reference and are generally described in “Exhibit A-1”, “Exhibit A-2”, and “Exhibit A-3” attached hereto:

SIGNATURE OF DEVELOPMENT ENTITY:

UCP EAST GARRISON, LLC,
a Delaware limited liability company

By: UCP, LLC, a Delaware limited liability company
Its: Sole Member

By: _____
James W. Fletcher
Vice President
6489 Camden Ave., Suite 204
San Jose, CA 95120

CERTIFICATE OF ACCEPTANCE

As per Resolution No. 2012-58, as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on September 11, 2012, the above Bill of Sale for Sewer System and Water System Facilities, dated September 11, 2012 is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: September 11, 2012.

By: _____
General Manager
MARINA COAST WATER DISTRICT

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

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: _____

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

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: _____

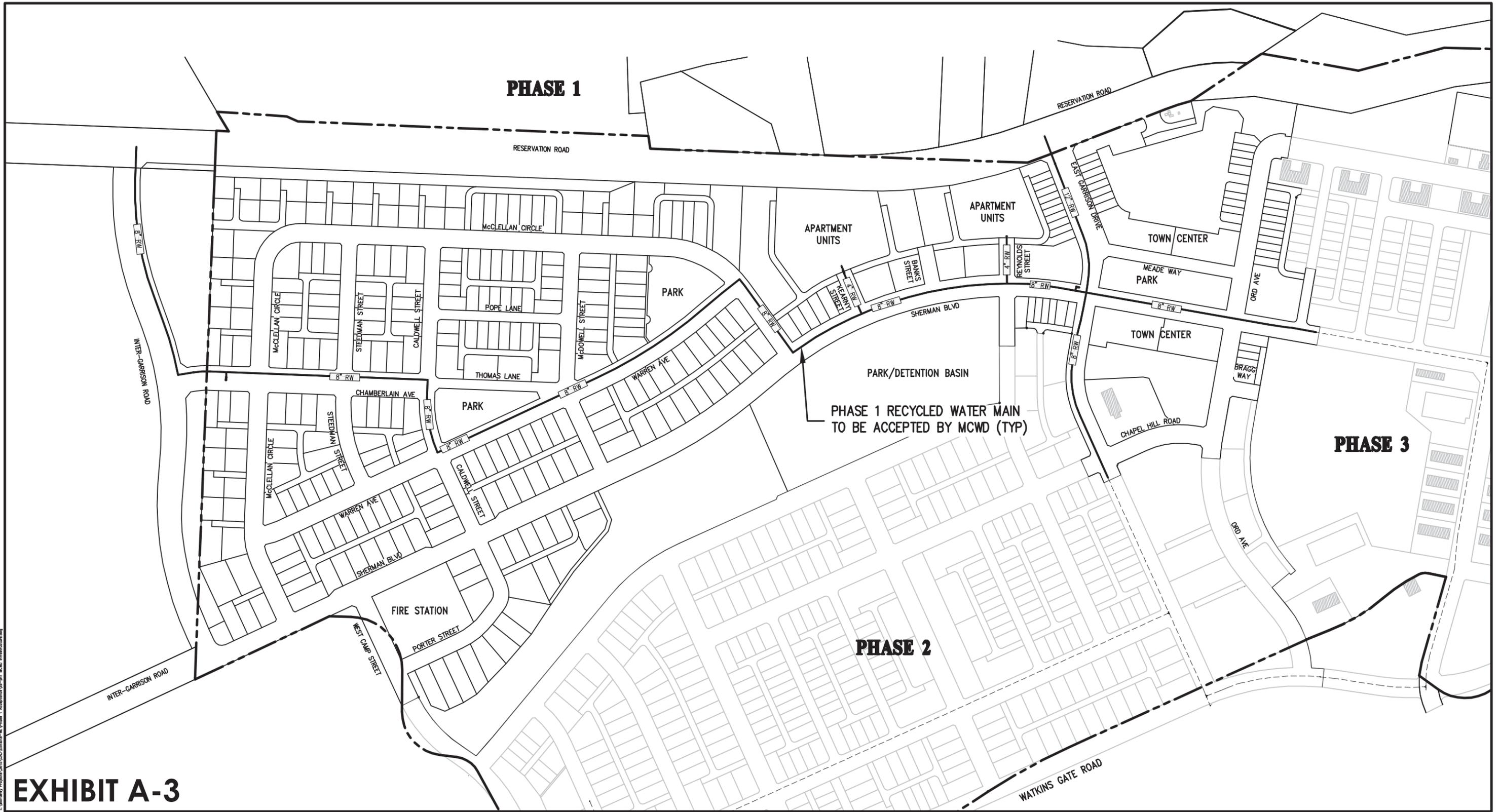


EXHIBIT A-3

**PHASE 1 MCWD RECYCLED WATER INFRASTRUCTURE
EAST GARRISON
MONTEREY COUNTY, CALIFORNIA**

Whitson Engineers
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July 17, 2012
Sheet 3 of 3

