

BILL OF SALE

SEWER SYSTEM FACILITIES – Approximately 1,164 LF of 8-inch sewer main; approximately 279 LF of 15-inch sewer main; and 11 sanitary sewer manholes (the “Sewer System Facilities”)

For good and valuable consideration, receipt of which is hereby acknowledged, Marina Community Partners, LLC, a Delaware limited liability company (“MCP”), 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 January 24, 2007 (“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 February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit A attached hereto. The fair market value of the Sewer System Facilities transferred to the District is **\$140,187.00**.

WATER SYSTEM FACILITIES – Approximately 1,649 LF of 8-inch water main; approximately 730 LF of 12-inch water main; 9 fire hydrants; 1 4-inch vault service line; 1 4-inch water service line; and 2 2-inch irrigation service lines (the “Water System Facilities”)

For good and valuable consideration, receipt of which is hereby acknowledged, MCP 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 February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit B attached hereto. The fair market value of the Water System Facilities transferred to the District is **\$233,226.00**.

RECYCLED WATER SYSTEM FACILITIES – Approximately 558 LF of 4-inch recycled water main; 2 2-inch irrigation service line (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, MCP 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 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 February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit C attached hereto. The fair market value of the Recycled Water System Facilities transferred to the District is **\$20,624.00**.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement. MCP represents and warrants that, to the knowledge of MCP, MCP 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 MCP 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 regarding the Facilities.

2. By signing below, MCP 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 MCP 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. MCP 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 MCP:

MARINA COMMUNITY PARTNERS, LLC
a Delaware limited liability company

By: Shea Homes Limited Partnership
a California Limited Partnership, its managing member

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DATED: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of _____, a _____ which the person acted, executed the instrument.

I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public in and for said State

CERTIFICATE OF ACCEPTANCE

As per Resolution No. 2016-__ as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on _____, the above Bill of Sale for Sewer System, Water System and Reclaimed Water System Facilities, dated _____, 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: _____

By: _____
General Manager
MARINA COAST WATER DISTRICT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

On _____, 2016, before me, Paula Riso, a Notary Public, personally appeared Keith Van Der Maaten, who proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of MARINA COAST WATER DISTRICT, a county water district and political subdivision of the State of California which the person acted, executed the instrument.

I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public in and for said State