

BILL OF SALE

SEWER SYSTEM FACILITIES – Approximately 2,655 LF of 8-inch sewer main; approximately 437 LF of 15-inch sewer main; approximately 20 sanitary sewer manholes; and approximately 71 sewer service laterals (the “Sewer System Facilities”)

For good and valuable consideration, receipt of which is hereby acknowledged, Shea Homes Limited Partnership, a California limited partnership (“SHLP”), 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 October 5, 2014 (“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 January 26, 2017, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – Second Phase Record Drawings, Plan Sheets 1 through 55 as depicted on Exhibit A attached hereto. The fair market value of the Sewer System Facilities transferred to the District is **\$356,740.00**.

WATER SYSTEM FACILITIES – Approximately 3,334 LF of 8-inch water main; approximately 773 LF of 12-inch water main; approximately 9 fire hydrants; approximately 89 - 1-inch water service lines; approximately 4 - 2 inch water service lines; approximately 2 - 4” water service lines; and approximately 1 - 2” irrigation service lines (the “Water System Facilities”)

For good and valuable consideration, receipt of which is hereby acknowledged, SHLP 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 January 26, 2017, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – Second Phase Record Drawings, Plan Sheets 1 through 55 as depicted on Exhibit B attached hereto. The fair market value of the Water System Facilities transferred to the District is **\$565,620.00**.

RECYCLED WATER SYSTEM FACILITIES – Approximately 1,252 LF of 8-inch recycled water main; approximately 3 - 2-inch irrigation service line (the “Recycled Water System Facilities”; 1 recycled to domestic water connection 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, SHLP 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 January 26, 2017, Street Improvement Plans for The Dunes on Monterey Bay

Phase 1 C – Second Phase Record Drawings, Plan Sheets 1 through 55 as depicted on Exhibit C attached hereto. The fair market value of the Recycled Water System Facilities transferred to the District is **\$97,560.00**.

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

EXHIBIT A

SANITARY SEWER SYSTEM

THE DUNES ON MONTEREY BAY

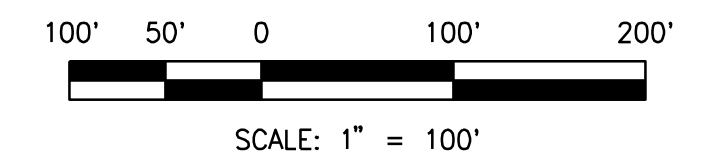
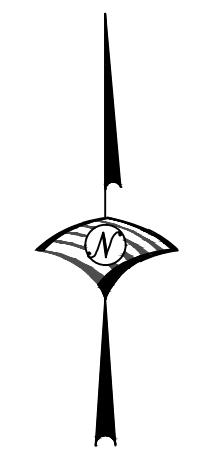
PHASE 1C - SECOND PHASE (DUNES 1C2)

SHEA HOMES





CITY OF MARINA

CALIFORNIA

AUGUST 2017



LEGEND

-  EXISTING SANITARY SEWER PIPELINES
-  PROJECT BOUNDARY
-  SANITARY SEWER PIPE SIZE (OF X" DIAMETER)
-  EXISTING SANITARY SEWER MANHOLE

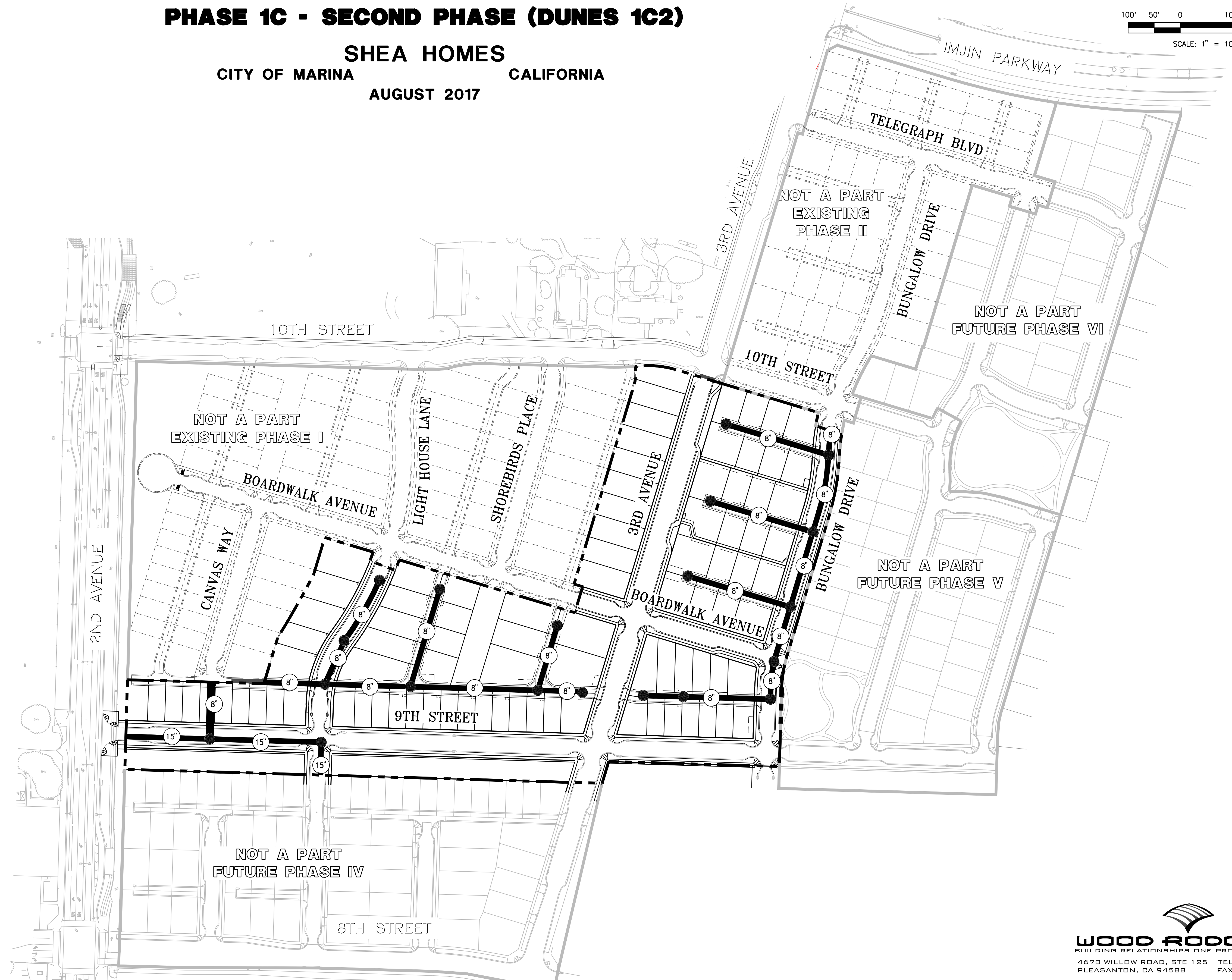


EXHIBIT B

DOMESTIC WATER SYSTEM

THE DUNES ON MONTEREY BAY

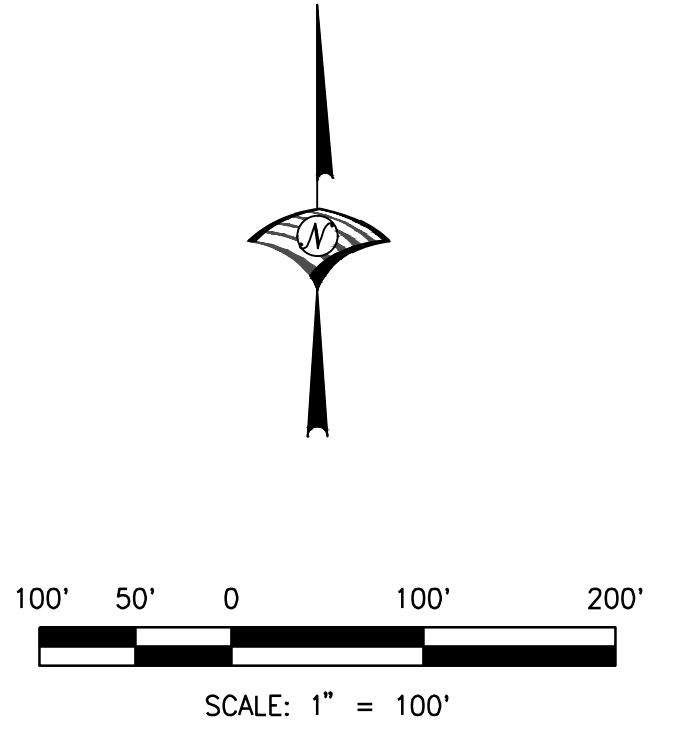
PHASE 1C - SECOND PHASE (DUNES 1C2)

SHEA HOMES






CITY OF MARINA

CALIFORNIA

AUGUST 2017



LEGEND

-  DOMESTIC WATER PIPELINES
-  PROJECT BOUNDARY
-  DOMESTIC WATER PIPE SIZE (OF X" DIAMETER)
-  FIRE HYDRANT
-  METER VAULT

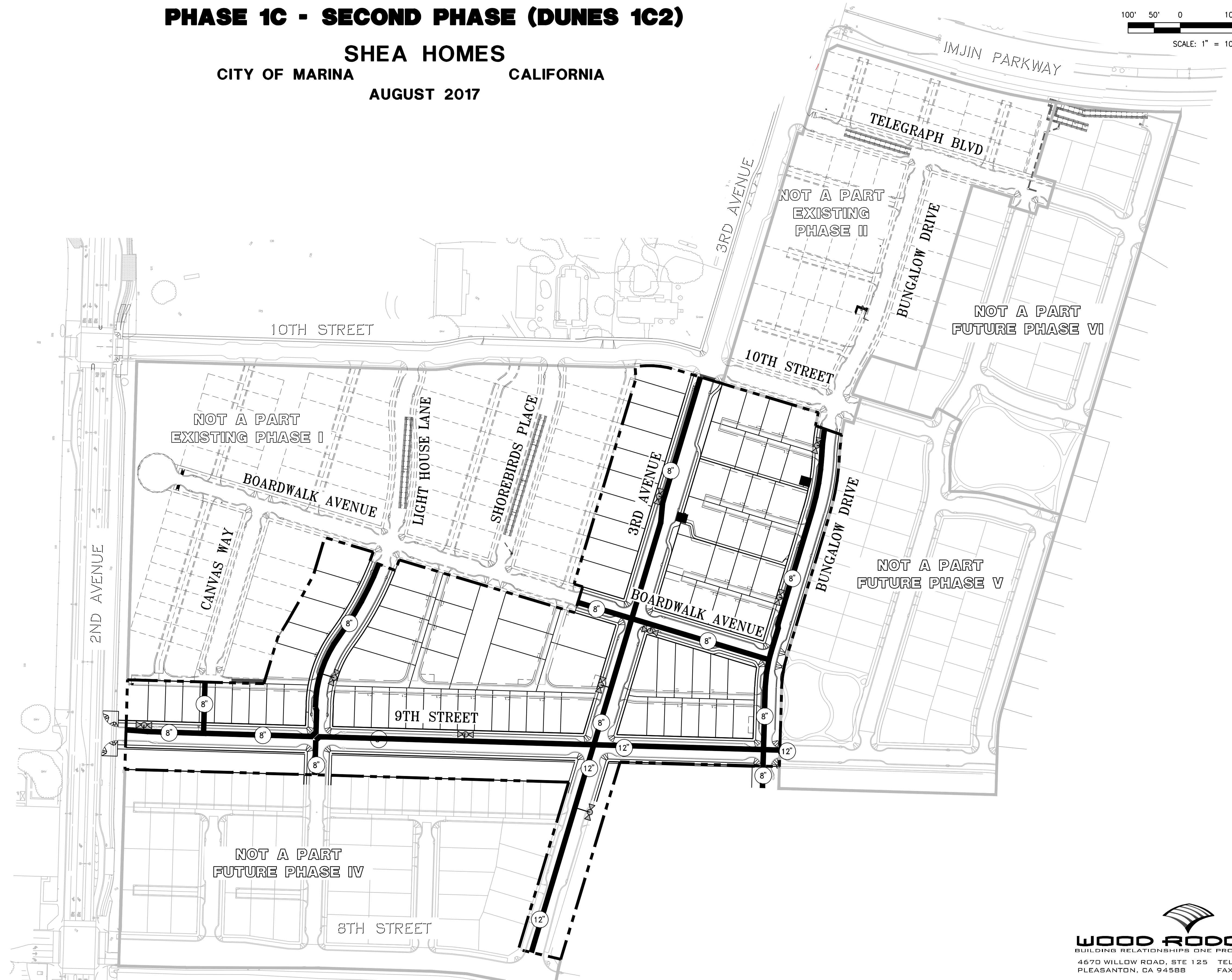


EXHIBIT C

RECLAIMED WATER SYSTEM

THE DUNES ON MONTEREY BAY

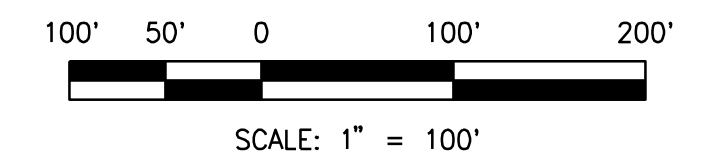
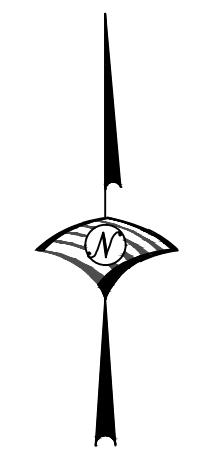
PHASE 1C - SECOND PHASE (DUNES 1C2)

SHEA HOMES




CITY OF MARINA

CALIFORNIA

AUGUST 2017



LEGEND

-  RECLAIMED WATER PIPELINES
-  PROJECT BOUNDARY
-  RECLAIMED WATER PIPE SIZE
(OF X" DIAMETER)

