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## CENTURY, UCP ANNOUNCE \$336M MERGER DEAL

Would create a \$1.3 billion company with a footprint in 10 states.

[Century Communities](#), Inc., Greenwood Village, Co. (NYSE: "CCS") and UCP, Inc., [San Jose](#) (NYSE: "UCP") on Tuesday morning announced a definitive merger agreement that will result in a \$1.3 billion company with market capitalization of \$700 million. Century ranked as the 21st largest home builder in the 2016 BUILDER 100; UCP was number 58.

The transaction would have an aggregate value of \$336 million, including cash and the payment of certain indebtedness. The companies said both boards had unanimously approved the deal and that PICO Holdings, Inc. (NASDAQ: "PICO"), UCP's largest shareholder, has entered into a voting agreement pursuant to which it has committed to vote 57% of UCP's outstanding voting power for the adoption of the merger agreement.

UCP stock will be converted into the right to receive \$5.32 in cash and 0.2309 of a newly issued share of Century common stock. Based on the closing sale price of Century shares on Monday, the implied value of the total stock and cash consideration to be received by UCP's stockholders in the merger is \$11.35 per share, and UCP's stockholders would own, on a pro forma basis, approximately 16.4% of the combined company. The new company is expected to issue 4.35 million new shares.



The transaction is expected to close by the end of the third quarter of 2017. Century will fund the cash portion of the merger with available borrowing capacity under its \$400 million senior unsecured credit facility.

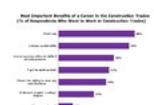
The combined company will operate in 10 states, 17 markets and 117 communities, with revenues of more than \$1.3 billion and inventories of more than \$1.2 billion. The combined company will own or control approximately 25,000 lots and will have a backlog in excess \$450 million (calculated on a pro forma basis as of December 31, 2016).

The combined company portfolio will consist of lots and communities in [California](#), [Colorado](#), [Georgia](#), [Nevada](#), [North Carolina](#), [South Carolina](#), [Tennessee](#), [Texas](#), [Utah](#) and [Washington](#).

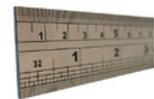
Dale Francescon, Century co-CEO stated, "UCP's highly complementary land positions combined with Century's existing portfolio creates a diverse national growth platform and footprint."

Rob Francescon, co-CEO of Century noted, "The merger facilitates expanded product offerings across the full buyer segment spectrum with cutting edge designs at multiple price points for maximum customer reach. The combined company is

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expected to generate significant operating efficiencies which should create a rate of revenue growth and increased stockholder value in excess of what either company could achieve on a standalone basis."

Dustin Bogue, CEO of UCP, commented, "We are pleased with the substantial progress we have made since our founding in 2004 to execute on our strategy, expand our regional presence and solidify our positions in very attractive Western and Southeastern markets. The merger with Century provides all of our stockholders with an opportunity to continue a portion of their equity investment and participate in the earnings growth, value accretion, synergies and enhanced prospects of a leading home builder with a more geographically diverse and risk-resistant national footprint. At the same time our stockholders will receive immediate cash liquidity for a portion of their investment in UCP."

J.P. Morgan Securities LLC served as financial advisor to Century; Greenberg Traurig, LLP acted as Century's legal counsel; and Builder Advisor Group, LLC provided certain real estate business services to Century.

Citi acted as financial advisor for UCP and Paul, Weiss, Rifkind, Wharton + Garrison LLP acted as UCP's legal counsel.



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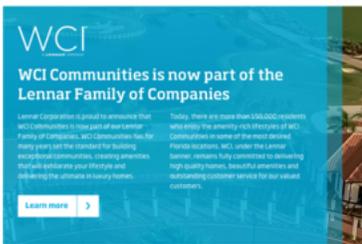
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