

COMPENSATION COMMITTEE CHARTER  
OF  
UCP, INC.

Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of UCP, Inc. (the “Company”) is to carry out the responsibilities of the Board related to executive compensation.

Composition of the Committee

The Committee shall be comprised of three or more directors, each of whom satisfies any applicable requirements for compensation committee service imposed by the Securities Exchange Act of 1934, as amended (together with the rules promulgated thereunder, the “Exchange Act”), or the New York Stock Exchange (“NYSE”), provided however, that the Committee may be comprised of a fewer number of independent or non-independent directors to the extent permitted under the rules of the NYSE and the Exchange Act. Determinations as to whether a particular director satisfies the requirements for membership of the Committee shall be made by the Board.

If at any time the Committee includes a member who is not a “Non-Employee Director” as defined in Rule 16b-3 under the Exchange Act (a “Non-Employee Director”) then either a subcommittee comprised entirely of two or more individuals who are Non-Employee Directors or the Board of Directors of the Company shall approve any grants made to any individual who is subject to liability under Section 16 of the Exchange Act.

If at any time the Committee includes a member who does not meet the requirements for an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) (an “Outside Director”), then a subcommittee comprised entirely of two or more individuals who are Outside Directors shall approve any grants or other compensation that is intended to qualify as performance-based compensation under Section 162(m) of the Code and that is payable to any individual whose compensation the Committee determines is or could be subject to the deduction limits under Section 162(m) of the Code.

Any vacancy on the Committee shall be filled by the Board on the recommendation of the Nominating and Corporate Governance Committee, and members shall serve for such terms as the Board may determine, or until their earlier resignation, death or removal by the Board. The Board may remove members from the Committee, with or without cause.

Meetings

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities but, in any case, not less than twice a year. Meetings of the Committee may be called, notice of all meetings shall be given, and waiver thereof determined, and all actions of the Committee shall be conducted in accordance with the Company’s amended and restated bylaws. The Committee will meet periodically in executive session without management.

## Delegation

The Committee may form, and delegate authority to, subcommittees when it deems appropriate to the extent permitted under applicable law.

## External Advisors

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Committee shall be directly responsible for the retention, appointment, compensation, oversight and termination of any such compensation consultant, independent legal counsel and other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, independent legal counsel or any other adviser retained by the Committee. In connection with the foregoing, the Committee shall comply with any applicable Securities and Exchange Commission or NYSE requirements regarding the consideration of the independence of any compensation consultant, counsel or other adviser.

## Duties and Responsibilities

The Committee shall:

1. Assist the Board in developing and evaluating potential candidates for executive officer positions and overseeing the development of executive succession plans.
2. Administer, review and make recommendations to the Board regarding the Company's compensation plans, including with respect to incentive-compensation plans and equity-based plans, policies and programs.
3. Review and approve on an annual basis the corporate goals and objectives with respect to compensation for executive officers. The Committee shall evaluate at least once a year executive officers' performance in light of these goals and objectives and based upon these evaluations shall set executive officers' annual compensation, including salary, bonus and equity and non-equity incentive compensation, subject to Board approval.
4. Review on an annual basis an assessment of any potential conflicts of interest raised by the work of compensation consultants, if any, who are involved in determining or recommending executive officer or director compensation.
5. Evaluate and recommend to the full Board appropriate compensation for the Company's directors, including compensation and expense reimbursement policies for attendance at Board and committee meetings.
6. Review the Company's incentive compensation arrangements to confirm that incentive pay does not encourage unnecessary risk-taking and review and discuss, at least annually, the relationship between risk management policies and practices, business strategy and the executive officers' compensation.

7. Assist management in complying with the Company's proxy statement and annual report disclosure requirements.
8. Review and discuss with management the Company's annual Compensation Discussion & Analysis ("CD&A") disclosure and recommend to the Board that the CD&A be included in the Company's annual report on Form 10-K or annual proxy statement.
9. Prepare the Committee report to be included in the Company's annual report on Form 10-K or annual proxy statement, as the case may be.
10. Review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and practices as a result of such votes.
11. Develop and implement policies with respect to the recovery or "clawback" of any excess compensation (including stock options) paid to any of the Company's executive officers based on erroneous data.
12. Determine stock ownership guidelines for the executive officers of the Company and monitor compliance with such guidelines.
13. Report to the Board on a regular basis and make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.
14. Perform such other duties and responsibilities, consistent with this Charter, delegated to the Committee by the Board or required under the provisions of any compensation or benefit plan maintained by the Company.

The Committee shall conduct an annual performance evaluation of the Committee to, at a minimum, compare the performance of the Committee to the requirements of this Charter and any other duties or responsibilities delegated to the Committee by the Board and report to the Board the results of the evaluation, which may take the form of an oral presentation by a member of the Committee to the Board.

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.