

ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT

(for PROPERTY TRANSFER AGREEMENT)

This Assignment, Assumption and Consent Agreement (“AAC **Agreement**”) is entered into as of November __, 2016, by and between GreenSpring Capital, Inc., a California corporation (“**GreenSpring**”), Cathedral Canyon Development, LLC, a _____ (“**Cathedral Canyon**”) and Cathedral City, a California municipal corporation, acting solely in its role as the Successor Housing Agency to the former Redevelopment Agency of the City of Cathedral City, (“**City**”). GreenSpring, Cathedral Canyon and City are sometimes referred to individually as a “**Party**” or collectively referred to as the “**Parties**.”

RECITALS

A. City and Thermal Land, LLC, (“**Thermal**”) entered into that certain Property Transfer Agreement and Escrow Instructions dated August 28, 2013 (“**Transfer Agreement**”), which provided for the sale of the **Property** (as described in the Transfer Agreement) to Thermal upon timely completion of the **Project**, a mixed use residential / commercial development (as described in the Transfer Agreement).

B. City, Thermal and Saxony entered into that certain Assignment of Property Transfer Agreement dated November 18, 2014, by which City consented to the assignment by Thermal of all of its interests, rights, title, obligations, duties and responsibilities, terms, conditions, and covenants in, to and under the Transfer Agreement (“**Rights and Obligations**”) to Saxony, and Saxony assumed all such Rights and Obligations. On October 26, 2016, City and Saxony entered into that Assignment, Assumption and Consent Agreement, under which Saxony assigned, and City consented to the assignment by Saxony of, all of its Rights and Obligations in, to and under the Transfer Agreement to GreenSpring and GreenSpring assumed all such Rights and Obligations. The Project was not completed and the purchase and sale of the Property was not consummated between City and Thermal before the assignment to Saxony, or between City and Saxony before the assignment to GreenSpring.

C. The Transfer Agreement has been amended with the concurrence of City by Thermal, and subsequently by Saxony, five (5) times which amendments include, Amendment No. 1 (March 12, 2014), Amendment No. 2 (August 14, 2014), Amendment No. 3 (February 26, 2015), Amendment No. 4 (October 28, 2015), Amendment No. 5 (March 9, 2016) collectively the “**Amendments**”. The Transfer Agreement shall be deemed to be inclusive of all of the Amendments.

D. GreenSpring has set up an affiliate or related business known as Cathedral Canyon Development, LLC in order to hold and operate the Project. GreenSpring now desires to assign all of its Rights and Obligations in, to and under the Transfer Agreement to Cathedral Canyon, and Cathedral Canyon desires to assume

GreenSpring's Rights and Obligations in the Transfer Agreement for the purpose of undertaking the Project.

E. Section 9 of the Transfer Agreement requires GreenSpring to obtain the express written approval of City prior to assigning any of its Rights and Obligations in, to and under the Transfer Agreement to another Party. This AAC Agreement is intended by the Parties to satisfy all of the requirements of Section 9 for the assignment and assumption of the Rights and Obligations between GreenSpring and Cathedral Canyon and the approval of City.

F. City has determined that the assignment by GreenSpring and assumption by Cathedral Canyon of the Rights and Obligations in, to and under the Transfer Agreement will assist in bringing the Project to fruition.

OPERATIVE PROVISIONS

NOW, THEREFORE, in exchange for the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Consent. City does hereby consent to the assignment by GreenSpring and the assumption by Cathedral Canyon of the Rights and Obligations in, to and under the Transfer Agreement pursuant to Section 9 thereof.

2. Assignment. GreenSpring, as assignor, hereby transfers, assigns and conveys all of its Rights and Obligations in, to and under the Transfer Agreement to Cathedral Canyon.

3. Release. City hereby releases GreenSpring, and GreenSpring hereby releases City, from any and all negotiations, agreements, claims, damages of any kind whatsoever, or other acts or omissions in connection with the Transfer Agreement, the Amendments, or this AAC Agreement.

4. Assumption. Cathedral Canyon hereby accepts the foregoing assignment, assumes all such Rights and Obligations, and agrees to perform and discharge all such obligations of Saxony under the Transfer Agreement, including, without limitation, the executory and unfulfilled terms, conditions, and covenants of the Transfer Agreement, inclusive of the Amendments. Except as expressly provided to the contrary in this AAC Agreement, to the extent that conditions exist which constitute a failure to perform or a default by GreenSpring under the Transfer Agreement, such failures to perform and/or defaults, if any, are not hereby excused or waived and Cathedral Canyon assumes and shall be responsible for cure of same, as provided under the Transfer Agreement.

5. Forbearance and Amendment. City and Cathedral Canyon agree that certain Project related deadlines that GreenSpring has the obligation to perform ("**Deadlines**") have either expired or are likely to expire before Cathedral Canyon has a reasonable opportunity to complete them. The Deadlines are variously set forth in

Exhibits to the Transfer Agreement and Amendments, and are identified in the Exhibits variously as the "Schedule of Obligations," the "Escrow Deadlines," the "Project Schedule," and/or the "Conditions required to be Fulfilled." City and Cathedral Canyon also agree that they mutually desire to assess the potential to modify or expand the scope of the Project. To that end, City and Cathedral Canyon have negotiated Amendment No. 6 to the Transfer Agreement concurrently with this AAC Agreement, and provided it is approved by City and Cathedral Canyon and becomes effective and binding on those Parties: (1) City will forbear providing notice of default or pursuing any remedy (including, without limitation, assessing liquidated damages, pursuing any reversionary interest, or commencing any suit at law or equity) made available under the Transfer Agreement, inclusive of the Amendments, for any failure to satisfy one or more of the previously existing Deadlines stated in the Transfer Agreement or Amendments, including, without limitation, any Deadline set forth in sections 5.9, 5.10, 5.12, 5.16, 10 or 13, or any Exhibit to the Transfer Agreement or Amendments; and (2) each Party will be deemed to have waived and released the other Party from reimbursement of any costs and expenses incurred by the Party, and from any default or breach of the Transfer Agreement, inclusive of the Amendments, and from any damages, including liquidated and consequential damages and other liabilities arising therefrom.

6. General Provisions

6.1 Recitals. Each of the Recitals set forth above is incorporated in this AAC Agreement as though set forth in full herein and the Parties acknowledge and agree to the truth and accuracy thereof.

6.2 Governing Law; Venue. This AAC Agreement shall be interpreted and enforced in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this AAC Agreement shall be filed and litigated exclusively in the Superior Court of Riverside, California or in the Federal District Court for the Central District of California.

6.3 Entire Agreement/Amendment. This AAC Agreement, together with the Transfer Agreement, inclusive of the Amendments, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written and oral agreements with respect to the matters covered by this Agreement. This AAC Agreement may not be amended except by an instrument in writing signed by each of the Parties.

6.4 Further Assurances. Each Party shall execute and deliver such other certificates, agreements and documents and take such other actions as may be reasonably required to consummate or implement the transactions contemplated by this AAC Agreement.

6.5 Captions; Interpretation. The section headings used herein are solely for convenience and shall not be used to interpret this AAC Agreement.

6.6 Severability. If any term, provision, condition or covenant of this AAC Agreement, or its application to any Party or circumstance, shall be held by a court of competent jurisdiction, to any extent, to be invalid or unenforceable, the remainder of this AAC Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law, unless the rights and obligations of the Parties have been materially altered or abridged thereby.

6.7 Counterparts. This AAC Agreement may be executed in counterparts, each of which shall, irrespective of the date of its execution and delivery, be deemed an original, and the counterparts together shall constitute one and the same instrument

6.8 Effective Date. This AAC Agreement shall be binding and effective by and amongst the Parties on the date first stated above, provided the AAC Agreement has been approved by City's City Council and executed by its City Manager and has been duly executed by the authorized representative(s) of GreenSpring and Cathedral Canyon. All persons executing this AAC Agreement represent and warrant to the other Parties that they are the duly designated representative of their respective Party and have full power and authority to execute the AAC Agreement on their Party's behalf.

IN WITNESS WHEREOF, City, GreenSpring, and Cathedral Canyon have executed this AAC Agreement as of the date first set forth above.

CONSENTING PARTY

CITY OF CATHEDRAL CITY,
a California municipal corporation

By: _____
Charles P. McClendon
City Manager

ATTEST:

Gary F. Howell, City Clerk

APPROVED AS TO FORM

Eric S. Vail, City Attorney

ASSIGNOR

GREENSPRING CAPITAL, INC.,
a California corporation

By: _____
Eric Keillor
President

By: _____
Eric Keillor
Secretary

ASSIGNEE

CATHEDRAL CANYON DEVELOPMENT,
LLC,
a _____

By: _____

By: _____

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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT
_____	_____
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	NUMBER OF PAGES
<input type="checkbox"/> GENERAL	_____
<input type="checkbox"/> ATTORNEY-IN-FACT	DATE OF DOCUMENT
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	SIGNER(S) OTHER THAN NAMED ABOVE
<input type="checkbox"/> OTHER _____	_____

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

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