

ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT

(for PROPERTY TRANSFER AGREEMENT)

This Assignment, Assumption and Consent Agreement (“AAC Agreement”) is entered into as of October 26, 2016, by and between Saxony Living, LP, a California limited partnership, (“Saxony”), GreenSpring Capital, Inc., a California corporation (“GreenSpring”), 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”). Saxony, GreenSpring 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. 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.

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) and Amendment No. 5 (March 9, 2016), collectively the “Amendments”. The Transfer Agreement shall be deemed to be inclusive of all of the Amendments.

D. Saxony now desires to assign all of its Rights and Obligations in, to and under the Transfer Agreement to GreenSpring, and GreenSpring desires to assume Saxony’s Rights and Obligations in the Transfer Agreement for the purpose of undertaking the Project.

E. Section 9 of the Transfer Agreement requires Saxony 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 Saxony and GreenSpring and the approval of City.

F. City has determined that the assignment by Saxony and assumption by GreenSpring 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 Saxony and the assumption by GreenSpring of the Rights and Obligations in, to and under the Transfer Agreement pursuant to Section 9 thereof.

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

3. Release. City hereby releases Saxony, and Saxony 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. GreenSpring 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 Saxony under the Transfer Agreement, such failures to perform and/or defaults, if any, are not hereby excused or waived and GreenSpring assumes and shall be responsible for cure of same, as provided under the Transfer Agreement.

5. Forbearance and Amendment. City and GreenSpring agree that certain Project related deadlines that Saxony has the obligation to perform ("**Deadlines**") have either expired or are likely to expire before GreenSpring 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 GreenSpring also agree that they mutually desire to assess the potential to modify or expand the scope of the Project. To that end, City and GreenSpring have negotiated Amendment No. 6 to the Transfer Agreement concurrently with this AAC Agreement, and provided it is approved by City and GreenSpring 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 Saxony and GreenSpring. 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, Saxony, and GreenSpring 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

SAXONY LIVING, LP,
a California limited partnership

By: J.L.J. Management, L.L.C,
a Delaware limited liability company
its general partner

By: _____
Martin Dolemo
Manager

ASSIGNEE

GREENSPRING CAPITAL, INC.,
a California corporation

By: _____
Eric Keillor
President

By: _____
Eric Keillor
Secretary

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	_____
<input type="checkbox"/>	<input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/>	ATTORNEY-IN-FACT	_____
<input type="checkbox"/>	TRUSTEE(S)	DATE OF DOCUMENT
<input type="checkbox"/>	GUARDIAN/CONSERVATOR	_____
<input type="checkbox"/>	OTHER _____	SIGNER(S) OTHER THAN NAMED ABOVE

SIGNER IS REPRESENTING:

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

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