

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT (the "Assignment") dated as of May 26, 2016, is made and entered into by and between GRANVILLE DEVELOPMENT COMPANY, INC. OF PRESCOTT VALLEY, ARIZONA, a corporation of the State of Arizona (the "Assignor"), UNIVERSAL HOMES CONSTRUCTION, L.L.C., a limited liability company of the State of Arizona (the "Assignee"), and the TOWN OF PRESCOTT VALLEY, ARIZONA, a municipal corporation of the State of Arizona (the "Authority").

RECITALS

WHEREAS, JNC, INC. (formerly known as UNIVERSAL HOMES, INC., a corporation of the State of Arizona), (UHI) in the Fall of 1998, entered into negotiations with Authority relative to the development of approximately 1,200 acres of real property located on the east and west sides of Glassford Hill Road generally between Long Look Drive and State Route 89A.

WHEREAS, As a result of those negotiations, Authority approved Master Plan Zoning and the contents of a Development Agreement ("Development Agreement") for the real property on December 16, 1999. UHI, as Developer, and Authority executed the approved Development Agreement which was recorded on December 28, 1999 in Book 3720, Page 214 of Yavapai County Recorder's Office.

WHEREAS, The development of the real property was delayed pending the outcome of a challenge to the zoning approval through a public referendum which was held in the Spring of 2000. After affirmation of the zoning, in the Spring of 2000, final engineering documents were prepared to commence development.

WHEREAS, It was decided that the real property would be developed and marketed as the Granville Master Planned Community.

WHEREAS, On December 23, 2000, Assignor was formed by incorporation in the State of Arizona. By verbal agreement, Assignor immediately assumed all of the rights, duties and obligations described in the December 16, 1999 Development Agreement. Land was sold from the land holder (Glassford Hill Holdings) to Assignor, which then developed the lots and sold them to home builders. Assignor has functioned uninterruptedly since December, 2000 as the Developer of the Granville Master Plan and has performed all functions described in the Development Agreement.

WHEREAS, Assignor and Authority amended the December 16, 1999 Development Agreement as of April 10, 2003 ("Development Agreement"), to clarify the respective responsibilities and costs for already built and planned public improvements for the Granville Master Planned Community.

WHEREAS, On June 12, 2008, UHI, formally assigned and Assignor assumed all rights, duties and obligations as described in the Development Agreement.

WHEREAS, After coming through the crash of the real estate market, both locally and nationally, from 2007 through 2012, Assignor no longer had the ability to develop lots and the responsibility fell to Assignee.

WHEREAS, Beginning with development of Granville Unit 7 in June 2013, transactions have gone directly from Glassford Hill Holdings to Assignee. However, it is hoped that at some point Assignor may resume its earlier role as Developer of the Granville Master Planned Community. Therefore, it is proposed that Assignor formally assign the rights, duties and obligations as described in the Development Agreement to Assignee only so far as needed to develop specified Units currently under development and needing subdivision and public improvement assurance agreements.

WHEREAS, At present it is proposed that Assignor only assign to Assignee the rights, duties and obligations as described in the Development Agreement only with regard to Granville Units 9 and 10.

AGREEMENT

NOW THEREFORE, In consideration of the mutual covenants of the parties and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment; Assumption of Obligations. Assignor hereby assigns all of its right, title and interest in and to the Development Agreement to Assignee, and Assignee accepts and assumes all of the obligations and duties of Assignor as Developer under the Development Agreement, as such obligations and duties apply to the Granville Master Development Plan for areas designated as Granville Unit 9 and Granville Unit 10.

Such assignment relates only to Granville Units 9 and 10. Assignor hereby retains all rights, duties and obligations under the Development Agreement in future phases unless this Assignment is amended to make assignments to Assignee.

2. Approval of Assignment; Release of Assignor. Authority hereby consents and agrees to the Assignment as provided in ARS §9-500.05, said Assignment being compliant with Section 14 of the Development Agreement. Assignor shall be released from all further duties and obligations of the Developer under the Development Agreement with respect only to the Granville Units 9 and 10. As to such Units, Assignee shall be deemed to be substituted as the Developer in accordance with the requirements of the Development Agreement.

3. Covenants Applicable to Assignment. The parties to the Assignment covenant and agree as follows:

a. Assignee shall carry out its obligations under the Development Agreement and the Assignment.

b. Exhibit A hereto contains information regarding Assignee and its members and ownership structure. Assignee will promptly notify Authority of any and all changes in the ownership interests, legal or beneficial, in Assignee or of any change in the majority control of such interests and in all changes and additions to the information provided in Exhibit A.

c. Assignee knows of no circumstance, fact, action, suit, proceeding or investigation that is threatened or pending against Assignee or its principals that has not been disclosed to Authority that materially impairs the ability of Assignee to perform its obligations under the Assignment or the Development Agreement. The discovery of any such information or the filing or service of any such suit shall be disclosed immediately to Authority by Assignee.

d. Assignee warrants that it has the necessary financial and legal ability to perform its obligations as outlined in the Development Agreement with respect to the Granville Development Plan for Units 9 and 10.

e. Each of the persons executing this Assignment on behalf of the respective parties hereto, hereby covenants and warrants on behalf of such party that he or she has the power and authority to bind such party to all of the terms and conditions of the Assignment.

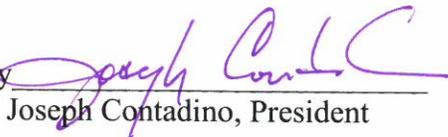
4. Effect of Assignment. Except as modified by the terms of the Assignment, all of the provisions of the Development Agreement, as amended to date, shall remain unchanged and in full force and effect, and the Development Agreement and the Assignment shall be construed together as a single document under the laws of the State of Arizona.

IN WITNESS WHEREOF, Assignor, Assignee and Authority have caused the Assignment to be duly executed as of the day first-above written.

ASSIGNOR:

Granville Development Company, Inc.
of Prescott Valley, AZ

By


Joseph Contadino, President

AUTHORITY:

Town of Prescott Valley, Arizona

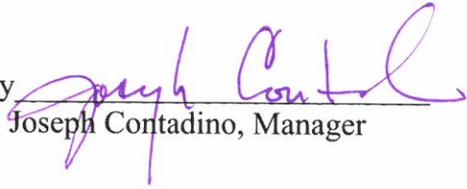
By

Harvey Skoog, Mayor

ASSIGNEE:

Universal Homes Construction, L.L.C.

By



Joseph Contadino, Manager

APPROVED AS TO FORM:

Ivan Legler, Town Attorney

EXHIBIT A

Assignee's Information Statement

1. Name, address, telephone and facsimile number of Assignee:

Universal Homes Construction, L.L.C. of State of Arizona
23335 N. 18th Drive, Suite 122
Phoenix, AZ 85027
Telephone: 623-879-8888
Facsimile: 623-879-8890

2. Federal Identification Number of Developer: 86-1002896

3. Name, address, title and telephone number of Assignee's managers and members:

Joseph Contadino - Manager
23335 N. 18th Drive, Suite 122
Phoenix, AZ 85027
Telephone: 623-879-8888

Savoy Management Company
an Arizona Sub S Corporation, Member
23335 N. 18th Drive, Suite 122
Phoenix, AZ 85027
Telephone: 623-879-8888