

When recorded, return to:
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**ASSIGNMENT AND ASSUMPTION OF
SERIES 2004 STANDBY CONTRIBUTION AGREEMENT
(Quailwood Meadows Community Facilities District)**

THIS ASSIGNMENT AND ASSUMPTION OF SERIES 2004 STANDBY CONTRIBUTION AGREEMENT (“**Assignment**”) is made effective only as of the close of escrow for the Quailwood Meadows Property by the Assignee (“**Close of Escrow**”), by and between Central Pacific Bank, a Hawaii banking corporation, Finance Factors, Limited, a Hawaii corporation, Partreo, L.L.C., an Ohio limited liability company, Preferred Bank, a California banking corporation, Tomatobank, N.A., a national banking association, and East West Bank, a California banking corporation, as successor in title to United Commercial Bank, a California banking corporation (collectively “**CPB**”), Ron Groeneveld, court-appointed receiver (“**Receiver**”) on behalf of the Receivership Estate (“**Estate**”), in the matter of Wells Fargo Bank, N.A., as agent for certain lenders v. Prestige Homes L.P., et al., Maricopa County, Arizona Superior Court Case No. CV2011-002642 (“**Litigation**”) (CPB and Estate together “**Assignors**”); Everest RFC, Inc., an Arizona corporation (“**Assignee**”); and the Quailwood Meadows Community Facilities District, a community facilities district of Arizona (“**QMCFD**”).

RECITALS

A. On April 10, 2003, the Town (along with the Prescott Valley Water District, a community facilities district of Arizona according to Arizona Revised Statutes §48-701 et seq., subsequently dissolved on March 13, 2008 and absorbed by the Town), entered into a development agreement pursuant to ARS §9-500.05 with Empire Land, LLC (“**Empire**”), John B. and Deborah Rouwenhorst (“**Rouwenhorsts**”), and entities related to the Fain family as land owner, recorded in the office of the Yavapai County Recorder on July 29, 2003 at 3610971, Book 4057, Page 21 (“**Development Agreement**”) which, among other things, provided for annexation, zoning and development of approximately 420 acres (“**Quailwood Meadows**”).

B. In accordance with the Development Agreement, the Town Council adopted Resolution No. 1294 (August 12, 2004) creating the Quailwood Meadows Community Facilities District (“**QMCFD**”) on 290 acres within Quailwood Meadows, and approving a District Development, Financing Participation and Intergovernmental Agreement dated August

1, 2004 (recorded on October 4, 2004 at 3773302, Book 4193, Page 500, Records of Yavapai County) (“**Financing Agreement**”) with QMCFD, Empire (and a related entity), and Rouwenhorsts. The Financing Agreement provided (among other things) that Empire (and a related entity) would construct listed infrastructure for Quailwood Meadows which QMCFD would then purchase using bond proceeds and convey to the Town for operation and maintenance. Debt service on said bonds would be paid from annual ad valorem taxes levied by QMCFD on real property within QMCFD. To regulate the tax rate, Empire (and a related entity) would enter into a (1) Series 2004 Standby Contribution Agreement with QMCFD (and the Bond trustee) (“**Contribution Agreement**”) to pay each year amounts needed to keep the rate at no more than \$3.00 per \$100 secondary assessed valuation, and (2) Series 2004 Payment Agreement with QMCFD (“**Payment Agreement**”) to deposit (per a Series 2004 Depository Agreement (“**Depository Agreement**”)) 10% of the bond principal amount for use to supplement tax revenues if amounts available under the Contribution Agreement were insufficient. QMCFD would also levy each year an additional ad valorem tax of \$0.30 per \$100 to pay costs to operate and maintain the infrastructure (including a “replacement reserve amount”). If collections were insufficient, Empire (and a related entity) would pay the shortfall up to \$30,000 (until July 1, 2020, or July 1 after the 900th building permit was issued, whichever is earlier). The QMCFD Board subsequently issued its General Obligation Bonds, Series 2004 (“**Bonds**”) by adoption of Resolution No. 4 on October 14, 2004. Empire (and a related entity) entered into the Payment Agreement and Contribution Agreement, and QMCFD (and the Bond trustee) entered into the Depository Agreement, on December 1, 2004.

C. In the course of developing Quailwood Meadows, Empire (and/or related entities) entered into deeds of trust, assignments of rent, and security agreements with CPB and Wachovia Bank, N.A. as agent for certain lenders who were subsequently succeeded in interest by Wells Fargo Bank, N.A. (“**Wells Fargo**”) to secure development loans for groups of residential lots in Quailwood Meadows.

D. On April 25, 2008, Empire and related entities filed a petition for Chapter 11 bankruptcy protection in U.S. Bankruptcy Court, Central District of California, Riverside Division (6:08-14592 MJ). On December 8, 2008, said bankruptcy was changed to a Chapter 7 liquidation.

E. On August 13, 2008, Wells Fargo obtained an order from the bankruptcy court granting its motion for relief from the bankruptcy stay relative to its secured collateral including undeveloped residential lots owned by Empire or related entities in units IV and VII and the Townhomes in Quailwood Meadows, some or all of which eventually became part of the Estate (“**Estate in Quailwood Meadows**”).

F. On January 6, 2009, CPB obtained an order from the bankruptcy court granting its motion for relief from the bankruptcy stay in order to foreclose its interests in undeveloped residential lots owned by Empire or related entities in units IV, V, VI and VIII in Quailwood Meadows (“**CPB Lots**”). CPB subsequently foreclosed on its interests on March 9, 2009.

G. Based on a June 15, 2009 application to the bankruptcy court, the bankruptcy trustee abandoned from the bankruptcy estate the Estate in Quailwood Meadows and the CPB Lots (together “**Quailwood Meadows Property**”). The abandonment appears to have been effective July 1, 2009.

H. In accordance with the “Appointment Order” in the Litigation (a certified copy of which was filed in the Superior Court of Arizona for the County of Maricopa as case number CV-2011-002642, and is entitled to full faith and credit in Arizona), the Receiver is authorized to negotiate, make, enter into, or modify contracts or agreements affecting any part or all of the Estate including, without limitation, any and all contracts or obligations related to development of the Estate. Furthermore, in accordance with the Appointment Order the Receiver does hereby expressly assume the Development Agreement.

I. In accordance with Subsection 1.04 of the Contribution Agreement, Assignors are successors-in-interest to Empire (and its related entities) on which the benefits and burdens of the Contribution Agreement are binding.

J. Assignee has now entered into agreements with Assignors to purchase (either immediately or over time) the Quailwood Meadows Property. In furtherance of the commitments set forth in said purchase agreements, Assignors desire now to fully assign, transfer and convey to Assignee (and Assignee desires to fully assume from Assignors) all of Assignors’ rights, title, interests and obligations under and in the Contribution Agreement upon the terms and conditions set forth herein.

K. After acknowledging and approving herein Assignors’ full assignment and Assignee’s full assumption of the benefits and burdens of the Contribution Agreement with respect to Assignors, QMCFD has agreed to accept as part of the assignment and assumption with respect to Assignee certain limitations as set forth herein.

FOR VALUABLE CONSIDERATION, it is agreed as follows:

1. Assignment. Effective as of the Close of Escrow, Assignors hereby assign, transfer and convey unto Assignee, all of Assignors’ rights, title, and interests in and to the Contribution Agreement. QMCFD acknowledges and agrees to said assignment upon the terms and conditions set forth herein. Receiver and Estate make no representations or warranties in connection with such assignment.

2. Assumption. Effective as of the Close of Escrow, Assignee hereby assumes (but only upon and subject to the limitations set forth herein) all of Assignors’ agreements, responsibilities, duties, liabilities, and obligations set forth in the Contribution Agreement and arising or accruing from and after the Close of Escrow, and agrees to perform and observe all of Assignors’ covenants and conditions contained in the Contribution Agreement arising from and after the Close of Escrow. QMCFD acknowledges and agrees to said assumption upon the terms and conditions set forth herein.

3. Limitations. Effective as of the Close of Escrow, Assignee's obligations under the Contribution Agreement shall be limited as follows:

(a) Assignee's obligations under the Contribution Agreement shall terminate upon the first to occur of (i) transfer of all lots acquired (or to be acquired) by Assignee to homebuyers, (ii) repayment in full of all of the outstanding Bonds, or (iii) receipt by the QMCFD Manager for 3 consecutive Fiscal Years of evidence that a tax rate of \$3.00 per \$100 of secondary assessed valuation would have been sufficient to make Bond payments (as set forth in Subsections 3.4(d)(4) and (e) of the Financing Agreement and Subsection 1.12 of the Contribution Agreement). The foregoing termination shall not have any impact on Assignee's obligations to the Receiver, Estate, or Wells Fargo under this Assignment including, without limitation, under Section 4 below.

(b) Assignee's contributions under the Contribution Agreement shall be limited to \$315 per year per lot purchased (or to be purchased), not to exceed a total of \$1,000,000 over the term of the Financing Agreement (as limited in the assignment of Financing Agreement entered into concurrently herewith). Payments shall be made as requested by the Bond trustee in accordance with Subsection 2.01 of the Contribution Agreement.

(c) Assignee shall not be responsible for any non-payments by Empire (or any related entities) under the Financing Agreement or Payment Agreement prior to the date of this Assignment.

(d) Assignee shall not be required to meet the net worth test set forth in Subsection 3.4(d)(3) of the Financing Agreement or Subsection 2.1(F) of the Contribution Agreement.

(e) If for any reason, the Close of Escrow is after April 1, 2012, this Assignment shall be null and void.

(f) QMCFD agrees that upon the Close of Escrow (i) Assignee shall have no liability or responsibility for agreements, responsibilities, duties, liabilities, and obligations set forth in the Contribution Agreement (collectively "**Contribution Agreement Obligations**") that arose prior to the Close of Escrow, (ii) CPB, Receiver, the Estate, and Wells Fargo shall have no liability or responsibility for any Contribution Agreement Obligations whenever arising, and (iii) Town hereby waives and releases CPB, the Estate, Receiver and Wells Fargo from any and all claims of loss, damage, liability or responsibility of any kind, whenever arising, related to the Contribution Agreement Obligations.

(g) Nothing in this Assignment shall be construed to affect the rights of Wells Fargo as set forth in the Appointment Order.

(h) With regard to the Estate in Quailwood Meadows, nothing in this Assignment shall be construed to transfer, assign, amend or invalidate any interest or title that is not within the Estate as set forth in the Appointment Order.

4. Indemnities.

(a) Assignee releases Receiver, Wells Fargo and Assignors from and shall indemnify, defend and hold Receiver, Wells Fargo, and Assignors harmless for, from, and against any and all actions, suits, proceedings and claims, and all costs and expenses incurred in connection therewith (including without limitation reasonable attorney's fees and costs of court), arising from or relating in any way to the Contribution Agreement, and which occurred or are alleged to have occurred at any time before or after the Close of Escrow.

5. Payments. Subject to the limitations set forth herein, Assignee hereby agrees to pay, when due, all amounts due and payable under the Contribution Agreement, until the termination of the Contribution Agreement. Assignee further agrees to indemnify and hold Assignors harmless from any and all amounts due or to become due under the Contribution Agreement from and after the Close of Escrow.

6. Binding Effect. This Assignment shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns. Nothing in this Assignment shall be construed to bind the Receiver in any regard beyond the extent of the Estate as set forth in the Appointing Order. Furthermore, as between the Estate and Assignee nothing set forth in this Assignment shall modify, amend or supersede any of the terms or provisions of the agreement between the Estate and Assignee regarding Assignee's purchase of the Quailwood Meadows Property from the Estate ("Estate Purchase Agreement"). As between the Estate and Assignee, if there are any conflicts between this Assignment and the Estate Purchase Agreement the Estate Purchase Agreement shall control. As between CPB and Assignee nothing set forth in this Assignment shall modify, amend or supersede any of the terms or provisions of the agreement between CPB and Assignee regarding Assignee's purchase of the Quailwood Meadows Property from CPB ("CPB Purchase Agreement"). As between CPB and Assignee, if there are any conflicts between this Assignment and the CPB Purchase Agreement the CPB Purchase Agreement shall control.

7. Choice of Law. This Assignment shall be construed in accordance with the laws of the State of Arizona, without giving effect to choice of law principles.

8. Attorneys' Fees. If any party to this Assignment initiates or defends any legal action or proceeding with any other party in any way connected with this Assignment, the prevailing party in any such legal action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover from the losing party in any such legal action or proceeding its reasonable costs and expenses of suit, including reasonable attorneys' fees and costs and expert witness fees. Attorneys' fees and costs under this Section include attorneys' fees and costs on any appeal and in any bankruptcy or similar or related

proceeding in federal or state courts. Any dispute as to the amounts payable pursuant to this Section shall be resolved by the court and not by a jury.

9. Cooperation. Assignors and QMCFD covenant that each of them will, at any time and from time to time upon written request of Assignee and at the Assignee's sole expense and without the assumption of any additional liability, execute and deliver to the Assignee, and its successors and assigns, any new or confirmatory instruments and take such further acts as the Assignee may reasonably request to fully evidence the assignment contained herein and to enable the Assignee, and its successors and assigns, to fully realize and enjoy the rights and interests assigned hereby.

10. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

11. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties hereto. Nothing in this Assignment shall be construed to bind the Receiver in any regard beyond the extent of the Estate as set forth in the Appointing Order

EXECUTED as of the date first set forth above.

Assignors:

CENTRAL PACIFIC BANK, a Hawaii
banking corporation

By: _____
Name: _____
Its: _____

FINANCE FACTORS, LIMITED, a Hawaii
corporation

By: _____
Name: _____
Title: _____

PARTREO, L.L.C., an Ohio limited liability
company

By: _____
Name: _____
Title: _____

Assignee:

EVEREST RFC, INC., an Arizona corporation

By: _____
Name: _____
Its: _____

PREFERRED BANK, a California banking corporation

By: _____
Name: _____
Title: _____

TOMATOBANK, N. A., a national banking association

By: _____
Name: _____
Title: _____

EAST WEST BANK, organized under the laws of California, successor in title to United Commercial Bank, a California banking corporation, through that Purchase and Assumption Agreement, dated November 6, 2009 on file with the Federal Deposit Insurance Corporation

By: _____
Name: _____
Title: _____

RON GROVENEVELD, court-appointed receiver on behalf of the receivership estate in the matter of Wells Fargo Bank, N.A., as agent for certain lenders, v. Prestige Homes L.P. et. al., Maricopa County, Arizona Superior Court Case No. CV2011-002642

By: _____
Name: _____
Its: _____

QMCFD:

QUAILWOOD MEADOWS COMMUNITY FACILITIES DISTRICT, a community facilities district of Arizona

By: _____
Name: _____
Its: _____

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of Central Pacific Bank, a Hawaii banking corporation, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of Finance Factors Limited, a Hawaii corporation, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of Partreo, L.L.C., an Ohio limited liability company, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of Preferred Bank, a California banking corporation, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of Tomatobank, N.A., a national banking association, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of East West Bank, a California banking corporation, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Ron Groeneveld of Paladin Asset Preservation and Management, Inc., Receiver, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of Everest RFC, Inc., an Arizona corporation, for and on behalf thereof.

Notary Public

My commission expires:

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the _____ of the Quailwood Meadows Community Facilities District, a community facilities district of Arizona, for and on behalf thereof.

Notary Public

My commission expires:
