

**ASSIGNMENT AND ASSUMPTION
OF OPTION TO GROUND LEASE AGREEMENT**

This Assignment and Assumption of the Option to Ground Lease Agreement (the "Assignment") dated as of June 27, 2019 (the "Effective Date"), is entered into by and between the Regional Housing Authority, Pacific West Communities, Inc. ("Optionee/Assignors"), Grass Valley PSH Associates, a California Limited Partnership ("Assignee"), and the County of Nevada, a political subdivision of the State of California ("Optionor"), collectively the "Parties," with reference to the following:

RECITALS:

- A. Optionee/Assignors and Optionor entered into that certain Option to Ground Lease Agreement, as authorized by the Nevada County Board of Supervisors on June 25, 2019, per Resolution No. 19-358 (the "Option"), related to certain vacant land located at 936 Old Tunnel Road, Grass Valley, California, 95945 (APN 35-400-54-000), as more particularly described in the Option (the "Property"). Unless otherwise defined herein, all initially capitalized terms used herein shall have the same meaning as set forth in the Option.
- B. Pursuant to the terms and conditions set forth in the Option, Optionor granted Optionee/Assignors the exclusive option to enter into a long-term Ground Lease of up to 2.40 acres of the Property.
- C. Assignee is Grass Valley PSH Associates, a California Limited Partnership, of which Optionee/Assignors are the two partners. Assignee will act as borrower and operator of the development, thus the reason for the assignment. Regional Housing Authority's (RHA) instrumentality entity, Building Better Partnerships, Inc. (BBP) will create a Limited Liability Company (LLC) that will be the Managing General Partner. Pacific West Communities, Inc. (PWC) has an established entity, TPC Holdings VII, LLC, that will be the Administrative General Partner. PWC and RHA through their respective legal entities, or third party contracted companies will perform the roles of lessee, developer, and manager of the property.
- D. Optionee/Assignors desire to transfer these Option rights to Assignee along with all of Assignors' right, title and interest in and to, and obligations thereunder, and Assignee desires to accept such assignment from Optionor/Assignors and to assume and be bound by all of the terms and conditions of the Option.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. Assignment. As of the Effective Date, Optionee/Assignor hereby assigns, conveys, transfers and sets over unto Assignee, any and all right, title and interest of Optionee/Assignor in and to, and all obligations of Optionee/Assignor under, the Option.
- 2. Assumption. By its execution of this Assignment, Assignee agrees to, as of the Effective Date, assume all liabilities and perform all obligations of Optionee/Assignor under the Option.
- 3. Estoppel. Optionee/Assignor and Assignee, by executing below, both acknowledge to Optionor and agree that the Option is in full force and effect and that Optionor is not now in default under the terms of the Option.

4. Governing Law. This Assignment shall be construed under and forced in accordance with the laws of the State of California.
5. Further Assurance. Assignors and Assignee each agree to execute and deliver to the other party, upon demand, such further documents, instruments and conveyances, and shall take such further actions, as are reasonably necessary or desirable to effectuate this Assignment.
6. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the parties hereto. No amendments to this Assignment, or subsequent assignment, shall be enforceable except upon the written authorization of all Parties hereto.
7. No Third-Party Beneficiaries. This Assignment creates rights and duties only between the Optionor, Optionee/Assignor, and Assignee, and no other party, or third party, is intended to have or be deemed to have any rights under this Assignment as an intended third-party beneficiary, except as expressly set forth herein.
8. Indemnification. Nothing herein shall be construed as a limitation of Optionee/Assignor's and Assignee's liability, and Optionee/Assignor and Assignee, their officers, officials, employees, and agents shall indemnify, defend, and hold harmless Optionor and its officers, officials, employees, agents and volunteers from any and all liabilities, claims, demands, damages, losses and expenses (including, without limitation, defense costs and attorney fees of litigation) which result from the negligent act, willful misconduct, or error or omission of Optionee/Assignor and/or Assignee, except such loss or damage which was caused by the sole negligence or willful misconduct of Optionor or its officers, officials, employees, agents or volunteers.

IN WITNESS WHEREOF, Assignors and Assignee have executed this Assignment on the date first set forth above.

OPTIONEE/ASSIGNORS:

Pacific West Communities

Caleb Roope, President

Dated: _____

Regional Housing Authority

Gustavo Becerra, Executive Director

Dated: _____

ASSIGNEE:

Grass Valley PSH Associates,
a California Limited Partnership

Dated: _____

Caleb Roope, Manager,
TPC Holdings VII, LLC, General Partner

OPTIONOR:

County of Nevada

Heidi Hall,
Chair of the Board of Supervisors

Dated: _____

Attest: _____

Julie Patterson-Hunter
Clerk of the Board of Supervisors

APPROVED AS TO FORM

County Counsel