

ASSIGNMENT AND ASSUMPTION OF REIMBURSEMENT AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF REIMBURSEMENT AGREEMENT ("Assignment") is made and entered into this 14 day of December, 2001, by and between WINNCREST HOMES, a California corporation ("Assignor"), and REYNEN & BARDIS DEVELOPMENT, LLC, a California limited liability company ("Assignee").

RECITALS

This Assignment is made with reference to the following facts and intentions of the parties:

A. Concurrently with the execution hereof, Assignor is assigning all of its right, title and interest in and to the Rancho Murieta Joint Venture, a California limited partnership.

B. Assignor is party to that certain Reimbursement and Shortfall Agreement among the Rancho Murieta Community Services District ("District") and FN Projects, Inc., executed on February 15, 1991 ("Reimbursement Agreement") as to a twenty-nine and 91/100 percent (29.19%) interest.

C. Assignor has agreed to assign to Assignee all of its right, title and interest in and to, and delegates to Assignee, all of its duties and obligations under the Reimbursement Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties agree as follows:

ARTICLE I.

ASSIGNMENT OF PERMITS AND WARRANTIES AND GUARANTIES

1.1 Assignment of Reimbursement Agreement. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Reimbursement Agreement, including, without limitation, all reimbursements due Assignor, and delegates all of Assignee's duties and obligations thereunder.

1.2 Assumption. Assignee hereby accepts the foregoing assignment of the Reimbursement Agreement and agrees to perform all of Assignee's duties and obligations thereunder accruing after the date of this Agreement.

1.3 No Liability. This Assignment and its acceptance by Assignee shall not impose any liability on Assignee for any default by Assignor under the Reimbursement Agreement prior to the Effective Date. Assignee shall indemnify, defend and hold Assignor harmless from any loss, claim, demand, cause of action or expense resulting from a default by Assignee under the Reimbursement Agreement occurring after the Effective Date, including reasonable attorneys' fees.

1.4 Effective Date. The "Effective Date" of this Assignment shall be the date first written above.

ARTICLE II MISCELLANEOUS

2.1 Attorneys' Fees. In the event of any litigation or action arising out of the subject matter of this Assignment, the prevailing party shall be entitled to reasonable attorneys' fees and court costs.

2.2 Inurement. This Assignment shall inure to the benefit of Assignor and Assignee and their respective successors, loan participants, parent corporations, subsidiaries, affiliates and successors-in-interest.

2.3 Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

2.4 Notices. Any notice which either party may desire to give to the other party must be in writing and shall be effective (i) when personally delivered by the other party or messenger or courier thereof; (ii) three (3) business days after deposit in the United States mail, registered or certified; (iii) twenty-four (24) hours after deposit before the daily deadline time with a reputable overnight courier or service; or (iv) upon receipt of a telecopy or facsimile transmission, provided a hard copy of such transmission shall be thereafter delivered in one of the methods described in the foregoing (i) through (iii); in each case postage fully prepaid and addressed to the respective parties as set forth below or to such other address and to such other persons as the parties may hereafter designate by written notice to the other parties hereto:

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| To Assignor: | Winncrest Homes, Inc. c/o Lennar Communities 2240 Douglas Boulevard, Suite 200 Roseville, CA 95661 Attn: Thomas P. Winn Facsimile: (916) 783-3914 |
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To Assignee: Reynen & Bardis Development, LLC
9848 Business Park Drive, Suite H
Sacramento, CA 95827
Attn: John D. Reynen
Telephone No.: (916) 3663665
Facsimile No.: (916) 364-3570

Copy to: Wagner, Kirkman, Blaine & Youmans
1792 Tribute Road, Suite 450
Sacramento, CA 95815
Attn: Belan Wagner, Esq.
Facsimile No.: (916) 920-8608

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first above written.


ASSIGNOR:


WINNCREST HOMES, INC., A
California Corporation

By: 
THOMAS P. WINN
Its: President

ASSIGNEE:

REYNEN & BARDIS
DEVELOPMENT LLC,
A California Limited Liability
Company

By: 
CHRISTO D. BARDIS
Its: Manager

By: 
JOHN D. REYNEN
Its: Manager

GUARANTEE

The undersigned, as guarantors ("Guarantors"), hereby unconditionally and irrevocably guarantee the full and prompt performance to the District of all obligations of Assignee pursuant to the Reimbursement Agreement. The undersigned acknowledge and agree that, as an inducement to the District to consent to the Assignment and Assumption of Reimbursement Agreement, the Guarantors have agreed to guarantee Assignee's obligations under the Reimbursement Agreement.

Guarantors hereby expressly waive and relinquish all rights and remedies accorded by applicable law to guarantors, and agree not to assert or take advantage of any such rights or remedies. The obligations of Guarantors hereunder are independent of the obligations of Assignee. The obligations of each of the persons signing below shall be joint and several. If this Guarantee is unenforceable against any of the Guarantors, such unenforceability shall not affect the obligations of the remaining person comprising Guarantor or the enforceability of this Guarantee against such remaining Guarantors.

Dated: 12/14, 2001


CHRISTO D. BARDIS

Dated: 12/14, 2001



JOHN D. REYNEN

CONSENT TO ASSIGNMENT

The undersigned hereby consents to the assignment of the rights and obligations of Winncrest Homes, Inc., under that certain Reimbursement and Shortfall Agreement among the undersigned, Rancho Murieta 205, LLC (predecessor-in-interest to FN Projects, Inc.) to Reynen & Bardis Development, LLC and hereby releases Winncrest Homes, Inc. from all further obligations arising after the Effective date under the Reimbursement Agreement.

Dated: March 14 2002

RANCHO MURIETA COMMUNITY SERVICES
DISTRICT

By: 
Its: President