

**ASSUMPTION AND CONSENT AGREEMENT**

This Assumption and Consent Agreement (the "Agreement") is entered into this 21st day of October, 1992 by and between FN DEVELOPMENT COMPANY, BRAVO, a California corporation ("FN Development"), and the RANCHO MURIETA COMMUNITY SERVICES DISTRICT (the "District") with respect to the following:

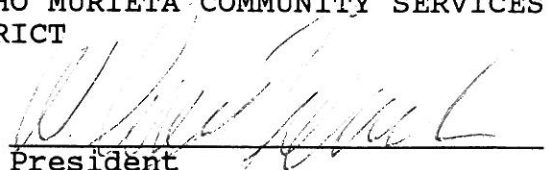
1. District acknowledges and consents, subject to the condition precedent set forth below, to the Assignment and Assumption Agreement dated October 21st 1992 by and between FN Projects, Inc. and FN Development (the "Assignment and Assumption Agreement") whereby FN Projects, Inc. assigns to FN Development all of its rights and obligations under the Reimbursement and Shortfall Agreement dated February 20, 1991 by and between the District, FN Projects, Inc. and Winncrest Homes, Inc. (the "Reimbursement and Shortfall Agreement") and whereby FN Development expressly agrees to assume all such rights and obligations. District's consent as provided above shall not take effect unless and until the transfers described in the Pro Forma Balance Sheet, attached hereto as Exhibit A and incorporated by reference, have taken place and written confirmation of such transfers has been provided to District by a corporate officer of FN Development.

2. FN Development agrees, hereby, to assume and perform all of FN Projects, Inc.'s obligations under the Reimbursement and Shortfall Agreement and to obligate itself directly to the District with respect to the assumption and performance of all such obligations. FN Development further agrees that the District is an intended third party beneficiary of the Assignment and Assumption Agreement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Dated: November 11, 1992

By:

  
President  
Board of Directors

ATTEST:

Linda S. Eucible

FN DEVELOPMENT COMPANY, BRAVO, a  
California corporation

Dated: OCTOBER 15, 1992

By: Richard J. F.  
Its: PRESIDENT

Dated: OCTOBER 15, 1992

By: Jane Kaurah  
Its: ASSISTANT SECRETARY

Exhibit A

FN Development Company, Bravo

<u>PRO FORMA BALANCE SHEET</u>					
AT 10/30/92					
	<u>Beginning</u>	<u>Transferred</u>	<u>After</u>	<u>Transferred</u>	<u>Ending</u>
	<u>(Mils)</u>	<u>From</u>	<u>FNB/FNPI</u>	<u>From</u>	<u>(Mils)</u>
		<u>FNB/FNPI</u>	<u>Transfer</u>	<u>FNFC</u>	
		<u>(Mils)</u>	<u>(Mils)</u>	<u>(Mils)</u>	
<u>ASSETS</u>					
Cash & Investments	\$0.0		\$0.0	\$10.0	\$10.0
RED Properties (Net)	0.0	222.3	222.3	16.8	239.1
Inv in Subs					
FNB Pfd Stock			0.0		0.0
Other			0.0		0.0
Mortgage Derivatives			0.0		0.0
Other Assets	<u>0.0</u>		<u>0.0</u>		<u>0.0</u>
 Total Assets	 \$0.0	 \$222.3	 \$222.3	 \$26.8	 \$249.1
	=====	=====	=====	=====	=====
<u>LIABILITIES</u>					
Old Ford Loan	\$0.0		\$0.0		\$0.0
New Ford Loan			0.0		0.0
Reverse Repurchase Agrmt			0.0		0.0
FNB Loan		100.0	100.0		100.0
FNFC Revolver		66.7	66.7	10.0	76.7
Accrued Interest	0.0		0.0		0.0
Other Liabilities	<u>0.0</u>	<u>5.6</u>	<u>5.6</u>		<u>5.6</u>
 Total Liabilities	 \$0.0	 \$172.3	 \$172.3	 \$10.0	 \$182.3
<u>STOCKHOLDERS' EQUITY</u>					
 Total Liabilities & Equity	 \$0.0	 \$222.3	 \$222.3	 \$26.8	 \$249.1
	=====	=====	=====	=====	=====

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

14670 Cantova Way

P.O. Box 1050

Rancho Murieta, California 95683

(916) 354-3700; fax 354-2082

To: Amy Mendez  
1st Nationwide Bank  
9800 South Sepulveda Blvd.  
Los Angeles, CA 90045

Date: November 13, 1992

From: Linda Eversole *LE*

Subject: Agreement

**Enclosed please find:** an original executed Assumption and Consent Agreement for your records.

If you should require additional information please let us know.

For your information

**In accordance with your request**

Please read, sign & return

Please file and return endorsed

Please comment

Please telephone

Please pay to creditor

Please acknowledge receipt

Please record and return

Other

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1. District acknowledges and consents, hereby, to the Assignment and Assumption Agreement dated October 21st, 1992 by and between FN Projects, Inc. and FN Development (the "Assignment and Assumption Agreement") whereby FN Projects, Inc. assigns to FN Development all of its rights and obligations under the Reimbursement and Shortfall Agreement dated February 20, 1991 by and between the District, FN Projects, Inc. and Winncrest Homes, Inc. (the "Reimbursement and Shortfall Agreement") and whereby FN Development expressly agrees to assume all such rights and obligations. District's consent as provided above shall not take effect unless and until the transfers described in the Pro Forma Balance Sheet, attached hereto as Exhibit A and incorporated by reference, have taken place and written confirmation of such transfers has been provided to District by a corporate officer of FN Development.

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RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Dated: November 11, 1992

By:

  
\_\_\_\_\_  
President  
Board of Directors

ATTEST:

  
\_\_\_\_\_  
Linda D. Eversole

FN DEVELOPMENT COMPANY, BRAVO, a  
California corporation

Dated: OCTOBER 15, 1992

By: Richard [Signature]  
Its: PRESIDENT

Dated: OCTOBER 15, 1992

By: June Kaurahm  
Its: ASSISTANT SECRETARY

Exhibit A

FN Development Company, Bravo

<b>PRO FORMA BALANCE SHEET</b>					
AT 10/30/92					
	<u>Beginning</u>	<u>Transferred</u>	<u>After</u>	<u>Transferred</u>	<u>Ending</u>
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<b>ASSETS</b>					
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Other			0.0		0.0
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Other Assets	<u>0.0</u>		<u>0.0</u>		<u>0.0</u>
<b>Total Assets</b>	<b>\$0.0</b>	<b>\$222.3</b>	<b>\$222.3</b>	<b>\$26.8</b>	<b>\$249.1</b>
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<b>Total Liabilities</b>	<b>\$0.0</b>	<b>\$172.3</b>	<b>\$172.3</b>	<b>\$10.0</b>	<b>\$182.3</b>
<b>STOCKHOLDERS' EQUITY</b>					
<b>Total Liabilities &amp; Equity</b>	<b>\$0.0</b>	<b>\$222.3</b>	<b>\$222.3</b>	<b>\$26.8</b>	<b>\$249.1</b>
	=====	=====	=====	=====	=====



1st Nationwide Bank  
A Federal Savings Bank  
Real Estate Finance  
9800 South Sepulveda Boulevard  
Los Angeles, California 90045

Telephone  
310 338-4649  
Fax 310 338-4609

November 12, 1992

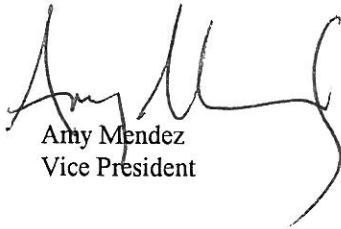
Ms. Marion Cravens  
General Manager  
Rancho Murieta Community Services District  
14670 Cantova Way  
Rancho Murieta, CA 95683

Dear Marion,

Enclosed please find another copy of the Assumption and Consent Agreement. I have asked Richard Gerwitz and June Kawahara to execute this copy in addition to the one you have, so that we may have an original as well. I would appreciate it if you would have the appropriate parties execute your part of the document and return one of the originals to me.

Thank you so much for your help with this matter and with the Letter of Credit. Your cooperation is most appreciated.

Sincerely,



Amy Mendez  
Vice President

AM/dz