

**Recording requested by and  
when recorded, mail to:**

County of Santa Barbara  
Housing and Community Development  
105 E. Anapamu Street, Room 105  
Santa Barbara, CA 93101  
Attn: Director

NO FEE DOCUMENT PURSUANT TO  
GOVERNMENT CODE SECTION 27383

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**ASSIGNMENT, ASSUMPTION AND MODIFICATION AGREEMENT  
(CDBG PROGRAM LOAN)**

This Assignment, Assumption and Modification Agreement (the "Agreement") is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2012, by and among DAHLIA COURT II, L.P., a California limited partnership ("Partnership"), PEOPLES' SELF-HELP HOUSING CORPORATION, a California nonprofit public benefit corporation ("PSHHC"), and the COUNTY OF SANTA BARBARA, a political subdivision of the State of California (the "County") with reference to the following facts:

A. The Partnership is acquiring PSHHC's fee interest in certain real property located in the County of Santa Barbara, California which is more particularly described in Exhibit A, attached to this Agreement and incorporated herein by this reference (the "Property").

B. Pursuant to that certain Loan Agreement dated as of June 1, 2010, between the County and PSHHC (the "CDBG Loan Agreement"), the County provided a loan of CDBG Investment Partnership Program funds to PSHHC which is evidenced by a promissory note dated June 1, 2010 (the "CDBG Note") in the principal amount of \$446,489 (the "CDBG Loan") and secured by a Deed of Trust recorded June 8, 2010, as Instrument No. 2010-30086 in the Official Records of the County of Santa Barbara, as modified by a Modification Agreement, Supplement to Deed of Trust and Partial Reconveyance recorded July 5, 2010, as Instrument No. 2011-38450 (collectively, the "CDBG Deed of Trust") and a Regulatory Agreement and Declaration of Restrictive Covenants recorded June 8, 2010, as Instrument No. 2010-30087 (the "CDBG Regulatory Agreement").

C. The CDBG Loan Agreement, the CDBG Note, the CDBG Deed of Trust, the CDBG Regulatory Agreement and any other documents, as amended from time to time, evidencing or securing the CDBG Loan shall be referred to herein collectively as the "CDBG Loan Documents." The CDBG Loan Documents contain the terms for the disbursement and repayment of the CDBG Loan, in addition to restrictions affecting the Property. Capitalized

terms used in this Agreement and not defined shall have the meanings set forth in the CDBG Loan Documents.

D. Concurrently with the transfer described above, PSHHC will assign to the Partnership and the Partnership will accept the assignment from PSHHC of all of PSHHC's rights, title, interest and obligations under the CDBG Loan Documents.

E. Following the assignment of the CDBG Loan Documents from PSHHC to the Partnership, the Partnership and the County desire to amend certain provisions of the CDBG Loan Documents to modify the terms of the financing provided by the County.

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

1. Assignment by PSHHC. PSHHC hereby assigns to the Partnership all of PSHHC's rights, title, interest and obligations under the CDBG Loan Documents.
2. Acceptance of Assignment. The Partnership hereby accepts the above assignment and hereby assumes all of the rights, title, interest and obligations of PSHHC under the CDBG Loan Documents that were assigned to the Partnership. Any reference to PSHHC in the CDBG Loan Documents described above shall be deemed a reference to the Partnership.
3. Release of PSHHC. The Partnership releases PSHHC from all obligations imposed under any of the CDBG Loan Documents and the County agrees to such release.
4. Payment of Obligations. The Partnership agrees that all amounts due from PSHHC pursuant to the CDBG Loan Documents shall be assumed by the Partnership.
5. Representations. PSHHC hereby represents and warrants that it has not previously assigned, pledged, hypothecated or otherwise transferred any of its rights under the CDBG Loan Documents.
6. Amendments to the CDBG Loan Documents.
  - (a) The amount of the CDBG Loan shall be increased by the amount of One Hundred Twenty-Five Thousand Dollars (\$125,000). Hereinafter, in each of the CDBG Loan Documents, the CDBG Loan amount shall mean: Five Hundred Seventy-One Thousand Four Hundred Eighty-Nine Dollars (\$571,489).
  - (b) The principal and all current and accrued interest of the CDBG Loan shall be due and payable on the date which is fifty-five (55) years from the

recording of this Agreement.

- (c) Any cure of any violation of or default under the CDBG Loan Documents made or tendered by any limited partner of the Partnership shall be deemed to be a cure tendered by the Partnership and shall be accepted or rejected on the same basis as if made or tendered by the Partnership.
- (d) A copy of all notices to the Partnership shall simultaneously be sent to the Partnership's limited partner at the following address:

c/o Merritt Community Capital  
1970 Broadway, Suite 250  
Oakland, CA 94612  
Attn: Bernard Deasey

- (e) The following transfers shall be permitted and shall not constitute a default under any of the CDBG Loan Documents: (i) the withdrawal of any partner of the Partnership; (ii) any transfer of the limited partnership interest in the Partnership; (iii) any transfer of interests in any limited partner of the Partnership; (iv) the removal of the general partner for a default under the Partnership's partnership agreement a copy of which is on file with the County and the replacement of the general partner with an entity subject to the approval of the County which approval shall not be unreasonably withheld; and (v) transfer of the Property to PSHHC or an affiliate thereof pursuant to the purchase option and/or right of first refusal described in the Partnership's partnership agreement.

8. No Other Amendments. Except as described above and as amended by this Agreement, the CDBG Loan Documents shall continue unmodified and in full force and effect.

9. Effective Date. The assignment set forth above shall be effective as of the date of recordation of this Agreement.

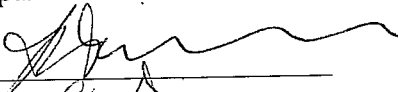
10. Counterparts. This Agreement may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Agreement.

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

**PARTNERSHIP:**

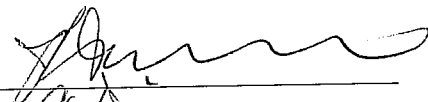
*HS*  
DALIA COURT II, L.P.,  
a California limited partnership

By: PEOPLES' SELF-HELP HOUSING CORPORATION,  
a California nonprofit public benefit corporation,  
its general partner

By:   
Its: *Ey. Des*  
(Signature must be notarized)

**PSHHC:**

PEOPLES' SELF-HELP HOUSING CORPORATION,  
a California nonprofit public benefit corporation

By:   
Its: *Ey. Des*  
(Signature must be notarized)

**COUNTY:**

**APPROVED AS TO FORM:**

County of Santa Barbara, a  
political subdivision of the State of California

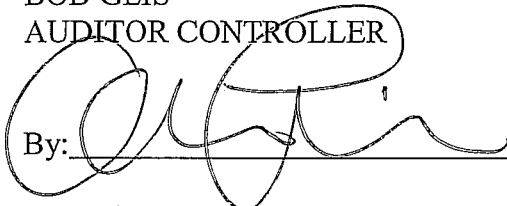
DENNIS A. MARSHALL  
COUNTY COUNSEL

By: \_\_\_\_\_  
Doreen Farr  
Chair, Board of Supervisors  
(Signature must be notarized)

By: *3 T. Ni*  
Deputy County Counsel

**APPROVED AS TO FORM:**

BOB GEIS  
AUDITOR CONTROLLER

By:  \_\_\_\_\_

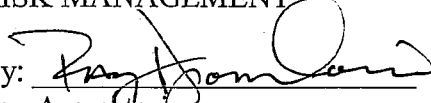
Deputy Auditor-Controller  
Gregory Eric Levin  
Advanced and Specialty Accounting

Expenditure Accounting Information

Fund: 0066 Dept: OSS  
Line Item: 1650 Program: \_\_\_\_\_

**APPROVED AS TO FORM:**

RISK MANAGEMENT

By:  \_\_\_\_\_  
Ray Aromatore  
Risk Program Administrator

State of California

County of Santa Barbara

On 02 FEB 12 before me MARGO L. WAGNER, NOTARY PUBLIC

personally appeared JEANETTE DUNCAN

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Margo L. Wagner  
Signature of Notary Public

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me \_\_\_\_\_

personally appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

**EXHIBIT A**  
**LEGAL DESCRIPTION**

That certain real property in the City of Carpinteria, County of Santa Barbara, State of California described as Parcel 2 in Lot line Adjustment No. 09-1527-LLA recorded July 5, 2011 as Instrument No. 2011-0038453 of Official Records in the office of the County Recorder of said County.

EXCEPTING THEREFROM 50% of the oil, gas and other hydrocarbon substances and minerals that may be within or under said land, without, however the right of surface entry or the use of the subsurface thereof to the depth of 500 feet below the present surface of said land, as reserved in the deed from Samuel Edwards Associates to Carolyn Cochrane Thoroughgood, recorded March 7, 1968 as Instrument No. 7895 in Book 2224 Page 377 of Official Records.

EXCEPTING THEREFROM all oil, oil rights, minerals, mineral rights and other hydrocarbons, without however the right to enter the surface of said land as reserved by Samuel Edwards Associates in the document recorded in the office of said County Recorder January 12, 1953 as Instrument No. 430, in Book 1121, Page 236 of Official Records.