

This instrument prepared by
and is to be returned to:

Kyle Arndt, Esq.
c/o Bocarsly Emden Cowan Esmail Parker & Arndt LLP
633 West Fifth Street
70th Floor
Los Angeles, CA 90071

(Space Above This Line For Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF LOAN

THIS ASSIGNMENT AND ASSUMPTION OF LOAN (the "**Assignment**") is entered into as of this ____ day of February, 2008, by and between **Housing Authority of the County of Santa Barbara**, a public body, corporate and politic (the "**Authority**"), the **Redevelopment Agency of the County of Santa Barbara**, a public body, corporate and politic (the "**Agency**") and **Parkview Isla Vista, L.P.**, a California limited partnership (the "**Partnership**") The Authority, the Agency and the Partnership are individually referred to as a "**Party**" and collectively with any other Party as "**Parties**" in this Assignment.

RECITALS

A. WHEREAS, the Agency made that certain loan in the original principal amount of \$3,760,000 to the Authority (the "**Loan**"), the proceeds of which were used by the Authority to acquire those certain two (2) adjacent residential buildings located at 6682 and 6688 Picasso Road in Isla Vista, Santa Barbara County, California, as more fully described in Exhibit "A" attached hereto and incorporated herein by this reference (the "**Property**");

B. WHEREAS, in connection with the making of the Loan, the Authority and the Agency entered into the following documents (collectively, the "**Loan Documents**"): (i) Loan Agreement by and between the Agency and the Authority (the "**Loan Agreement**"); (ii) Permanent Deed of Trust, Assignment of Rents and Security Agreement executed by the Authority in favor of the Agency (the "**Deed of Trust**"); (iii) Promissory Note executed by the Authority in favor of the Agency (the "**Note**"); and Regulatory Agreement and Declaration of Restrictive Covenants by and between the Agency and the Authority (the "**Regulatory Agreement**");

C. WHEREAS, to further the development of the Property as a low income multi-family housing development, the Authority shall transfer the Property to the Partnership who shall own, develop and operate the Property;

D. WHEREAS, the Partnership is comprised of the Authority, Surf Affordable Housing Enterprises, Inc., a California corporation ("**SAH**"), Surf Development Company, a California nonprofit public benefit corporation ("**Surf**" and collectivity with the Authority and SAH, the "**General Partners**"), Apollo Housing Capital, L.L.C., an Illinois limited liability company (the "**Investor Limited Partner**") and Apollo Housing Manager II, Inc., a Delaware

corporation (the “**Special Limited Partner**” and collectively with the Investor Limited Partner, the “**Limited Partners**”) pursuant to the terms of that certain Agreement of Limited Partnership of the Partnership dated as of February __, 2008 (the “**Partnership Agreement**”);

E. WHEREAS, in connection with the transfer of the Property, the Authority desires to assign to the Partnership all of the Authority’s rights and obligations under the Loan Documents and the Partnership desires to assume all of the Authority’s rights and obligations under the Loan Documents;

F. WHEREAS, the Agency desires to consent to the transfer of the Property to the Partnership and to the assignment of the Loan Documents to the Partnership; and

G. WHEREAS, the financing and development of the Project requires that certain clarifications and modifications be made to the Loan Documents.

NOW, THEREFORE, with reference to the foregoing Recitals and in consideration of valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

2. Assignment. The Authority hereby assigns to the Partnership all of the Authority’s rights and obligations under the Loan and the Loan Documents.

3. Acceptance. The Partnership hereby accepts the assignment of the Authority’s rights and obligations under the Loan and the Loan Documents.

4. Consent. The Agency hereby consents to (i) the assignment of the Loan and the Loan Documents from the Authority to the Partnership and (ii) the transfer of the Property from the Authority to the Partnership. The Consent of the Agency in this Section 4 shall be deemed to satisfy any and all provisions of the Loan Documents which necessitate the receipt of Agency consent prior to the (i) assignment of the Loan and the Loan Documents from the Authority to the Partnership, or (ii) transfer of the Property from the Authority to the Partnership, including, without limitation, the requirements of Sections 5.10 and 9.14 of the Loan Agreement. Neither the (i) assignment of the Loan and the Loan Documents from the Authority to the Partnership, or (ii) transfer of the Property from the Authority to the Partnership shall cause an acceleration in the term of the Loan.

5. Change in Ownership. Notwithstanding anything contained in the Loan Documents to the contrary, the Parties hereby agree that:

(a) the Special Limited Partner shall be permitted to remove and/or replace a general partner of the Partnership for cause in accordance with the terms of the Partnership Agreement without the consent of Agency;

(b) the respective interests of the Limited Partners shall be transferable without the consent of the Agency; and

(c) The execution and delivery of a purchase option agreement shall not constitute a default or Event of Default under the Loan Documents or accelerate the maturity of the Loan thereunder.

6. Notice and Cure Rights. Notwithstanding anything to the contrary contained in the Loan Documents, Agency hereby agrees that any cure of any default under the Loan Documents made or tendered by the Partnership's Special Limited Partner and/or Limited Partner shall be deemed to be a cure by the Partnership and shall be accepted or rejected on the same basis as if made or tendered by the Partnership. Copies of all notices which are sent to any Party under the terms of the Loan Documents shall also be sent to the Partnership's Special Limited Partner c/o Apollo Housing Capital, L.L.C., 600 Superior Street, Suite 2300, Cleveland, OH 44114, Attention: President. The Special Limited Partner may change its address for receipt of copies of notices by giving notice in writing stating its new address to the Agency and the Partnership.

7. Representations and Warranties. Each of the Authority and the Agency hereby represent and warrant to each of the other Parties as follows:

(a) As of the date hereof, the principal balance of the Note is \$3,760,000.

(b). As of the date hereof, there is no default on any of the terms or conditions of the Loan Documents.

(c) As of the date hereof, neither the Authority or the Agency is aware of any event that would give rise to a default under the Loan Documents.

(d) As of the date hereof, the Loan Documents have not been modified, amended or supplemented.

8. Governing Law. The Assignment shall be interpreted under and be governed by the laws of the State of California.

9 Entire Agreement. This Assignment is the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, between the Parties with respect to the matters contained in this Assignment. Any waiver, modification, consent or acquiescence with respect to any provision of this Assignment shall be set forth in writing and duly executed by or on behalf of the Party to be bound thereby. No waiver by any Party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

10. Counterparts. This Assignment may be executed in counterparts by the Parties, each of which shall be deemed to be an original, and all such counterparts shall constitute but one and the same instrument.

11. Further Assurances. Each of the Parties agrees to execute further and supplemental instruments as may be requested by another Party to effectuate the purposes and intent of the Assignment.

12. Third Party Beneficiaries. The Limited Partners shall be a third party beneficiary to this Assignment.

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

AGENCY:

Redevelopment Agency of the County of Santa Barbara, a public body, corporate and politic

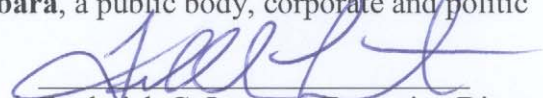
By: _____

Its: _____

AUTHORITY:

Housing Authority of the County of Santa Barbara, a public body, corporate and politic

By:



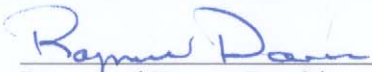
Frederick C. Lamont, Executive Director

(Signatures Continued of Following Page)

PARTNERSHIP:

Parkview Isla Vista, L.P., a California limited partnership

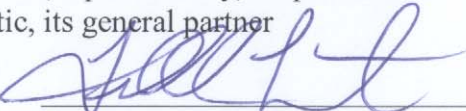
By: Surf Affordable Housing Enterprises, Inc., a California corporation, its general partner

By: 
Raymond Down, President

By: Surf Development Company, a California nonprofit public benefit corporation, its general partner

By: 
Raymond Down, President

By: Housing Authority of the County of Santa Barbara, a public body, corporate and politic, its general partner

By: 
Frederick C. Lamont, Executive Director

APPROVED AS TO FORM:

DANIEL J. WALLACE
AGENCY COUNSEL

By: _____
Deputy County Counsel

APPROVED AS TO FORM:

BOB GEIS
AUDITOR CONTROLLER
AND AGENCY TREASURER

By: _____
Senior Financial Analyst

State of California)

County of Santa Barbara)

SS

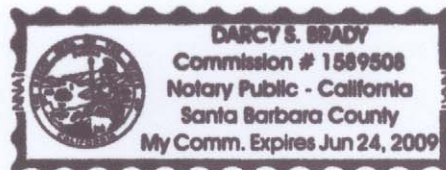
On February 21, 2008, before me Darcy S. Brady,
Notary Public, personally appeared Frederick Lamont + Raymond Down,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are
subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed 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.

Darcy S. Brady

(Seal)



State of _____)

County of _____)

SS

On _____, 2008, before me _____,
Notary Public, 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.

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.

(Seal)

EXHIBIT A
Legal Description of Property

1. [Illegible text]