

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:  
California Housing Finance Agency  
Office of General Counsel  
Attention: Nancy Santucci  
P.O. Box 4034  
Sacramento, CA 95814

No fee for recording pursuant to  
Government Code Section 27383

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**MHSA ASSIGNMENT AND ASSUMPTION AGREEMENT  
(MHSA Loan and Related Loan Documents)**

**CalHFA Development No. 12-059-M**

This Assignment and Assumption Agreement (the “*Agreement*”) is entered into as of July 1, 2013, by and between the **California Housing Finance Agency**, a public instrumentality and political subdivision of the State of California (the “*Agency*” or “*Assignor*”) and **the County of Monterey**, a political subdivision of the State of California (“*Assignee*”).

RECITALS

A. WHEREAS, pursuant to Chapter 6.3 of Part 3 of Division 31 of the California Health & Safety Code, the Agency has authority to provide for the financing of special needs housing, and the Agency participation in the MHSA Housing Program constitutes authorized financing for special needs housing. The Agency has agreed to originate and service loans from the Mental Health Services Fund (California Welfare & Institutions Code Section 5890), created in accordance with the Mental Health Services Act of 2004, Proposition 63 and Executive Order S-07-06 (“*MHSA*”), as a contract administrator on behalf of the California Department of Health Care Services (“*DHCS*”), formerly the California Department of Mental Health, pursuant to the Interagency Agreement dated May 30, 2008.

B. WHEREAS, the Agency is making, substantially contemporaneously with the making of this Agreement, a permanent loan (the “*MHSA Permanent Loan*”) pursuant to the MHSA Housing Program to Rockrose Housing Corporation, a California nonprofit public benefit corporation (“*Borrower*”). The MHSA Permanent Loan is evidenced by a promissory note from the Borrower to the Agency in the face amount of Nine Hundred Thirty-Two Thousand Six Hundred Forty-Five and No/100s Dollars (\$932,645.00), titled “California Housing Finance Agency, MHSA Promissory Note, CalHFA Development No. 12-059-M, (Permanent Financing/Residual Receipts)” (the “*MHSA Promissory Note*”) and secured by a deed of trust, each of which will be executed substantially contemporaneously herewith. The deed of trust is being executed by Borrower, as trustor, to Chicago Title Company, as trustee, in favor of the Agency, as beneficiary, and is titled “California Housing Finance Agency, MHSA Deed of Trust With Assignment of Rents, Security Agreement and Fixture Filing, CalHFA Development No. 12-059-M” dated July 1, 2013 (the

“*MHSA Deed of Trust*”) to be recorded in the Official Records substantially contemporaneously with this Agreement. The Development (defined below) shall also be regulated and encumbered by a regulatory agreement executed by Borrower and the Agency titled “California Housing Finance Agency, MHSA Regulatory Agreement (Mental Health Services Act Housing Program), CalHFA Development No. 12-059-M” dated as of July 1, 2013 (the “*MHSA Regulatory Agreement*”) to be recorded in the Official Records substantially contemporaneously with this Agreement. Unless otherwise noted, references to instruments recorded in “*Official Records*” refer to instruments recorded in the Office of the County Recorder of the County of Monterey.

The MHSA Permanent Loan, MHSA Regulatory Agreement, MHSA Promissory Note, MHSA Deed of Trust and related unrecorded documents shall hereafter be collectively referred to herein as the “*MHSA Permanent Loan Documents*”;

C. WHEREAS, Borrower has obtained a commitment from the United States Department of Housing and Urban Development (“*HUD*”) pursuant to the HUD Section 811 Supportive Housing for Persons with Disabilities Program (“*HUD 811 Program*”) to finance a multifamily residential rental housing project on real property located in the City of Marina, County of Monterey, California and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the “*Development*”).

D. WHEREAS, the Agency has, with the written approval of DHCS, determined that under the particular circumstances of this Development, an assignment to the Assignee of all rights and obligations pursuant to the MHSA Permanent Loan Documents and related obligations pursuant to the MHSA Housing Program with respect to the Development is appropriate.

E. WHEREAS, this assignment and assumption shall include all of the Agency’s obligations related to the construction period activities, all MHSA post-closing requirements and all ongoing monitoring and servicing obligations for the Development under the MHSA Permanent Loan Documents and the MHSA Housing Program with respect to the Development.

F. WHEREAS, the Assignor and Assignee are entering into this Agreement in order to effectuate the assignment by Assignor and the acceptance and assumption of by the Assignee, of all of Assignor’s rights and obligations under the MHSA Permanent Loan Documents and the MHSA Housing Program with respect to the Development.

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, Assignor and Assignee agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor’s right, title, and interest in and obligations under the MHSA Permanent Loan Documents and the MHSA Housing Program with respect to the Development.

2. Acceptance of Assignment. Assignee accepts the above assignment of Assignor’s right, title and interest in, and assumes all obligations under, the MHSA Permanent Loan Documents and MHSA Housing Program with respect to the Development, and agrees to perform all of Assignor’s obligations and covenants under the MHSA Permanent Loan Documents and MHSA

Housing Program with respect to the Development as if Assignee were the original signatory thereto. Assignee acknowledges and agrees that upon execution of this Agreement, Agency shall have no further obligations under the MHSA Permanent Loan Documents and MHSA Housing Program with respect to the Development.

3. Representations.

(a) Assignee represents and warrants to Assignor that the execution and delivery by Assignee of this Agreement, the consummation of the transaction contemplated by this Agreement, and the performance and compliance by Assignee with the terms of this Agreement, the MHSA Permanent Loan Documents have been duly authorized by all necessary action on the part of Assignee. This Agreement has been duly executed and delivered by Assignee and constitutes a legal, valid and binding obligation of Assignee enforceable against Assignee in accordance with its terms.

(b) Assignor represents and warrants that it has not previously assigned, pledged, hypothecated or otherwise transferred any of its rights or obligations under the MHSA Permanent Loan Documents.

4. Reporting and Other MHSA Housing Program Requirements. Assignee hereby covenants and agrees to comply with all reporting and other requirements of the MHSA Housing Program as required by DHCS.

5. Indemnity. The Assignee shall indemnify, defend (with counsel reasonably chosen by the Agency, at the Agency's option), and hold the Agency, and its employees, officers, agents, and board members harmless against all claims, losses, liabilities, judgments, and costs, including without limitation, reasonable legal fees, which arise out of or in connection with this Agreement, the MHSA Permanent Loan, including without limitation the underwriting, due diligence, lien priority, title insurance, inspections, closing and post-closing activities related to the MHSA Permanent Loan, the MHSA Permanent Loan Documents, the ownership or occupancy of or construction on or in connection with the Development (including, without limitation, rehabilitation) by the Borrower or the Borrower's contractors, subcontractors, agents, employees, or tenants, including claims resulting from the Borrower's failure to comply with Article XXXIV of the California Constitution, federal, state and local Fair Housing laws regarding discrimination in rental housing, handicapped accessibility, prevailing wage (California Labor Code Section 1720 et seq.) and/or Davis Bacon (40 U.S.C. 276(a) et seq.) (as applicable), and the relocation of persons displaced by the Development. The Assignee agrees that the Assignee, and not the Agency, is responsible for ensuring compliance with all such laws.

6. Remedies. In the event that the Assignee breaches any representation or warranty or fails to perform any of its obligations under this Agreement, the Assignor shall have all rights and remedies at law or in equity, including the right to seek specific performance, injunctive relief, or such other equitable relief as it may deem appropriate; provided, however, any actions by the Assignor hereunder is consistent with federal and State laws and regulations. Nothing herein shall be deemed to limit the Assignor's remedies at equity or in law, it being understood and agreed that the remedies available to the Assignor in the event that the Assignee breaches any

representation or warranty or fails to perform any of its obligations are cumulative and not exclusive of any other remedies.

7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. Waiver by Agency. No waiver by the Agency of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereof or default hereunder.

9. Amendments; Consents and Waivers; Entire Agreement. No modification, amendment or waiver of any provision of this Agreement shall be effective unless it shall be in writing and signed by each of the parties hereto. Any waiver or consent shall be effective only in the specific instance and for the purpose for which given. This Agreement embodies the entire agreement of Assignor and Assignee with respect to the assignment and assumption of the MHSA Permanent Loan and the MHSA Permanent Loan Documents and supersedes all prior agreements and understandings between the parties relating to the subject hereof.

10. Attorney Fees. In any action to enforce or defend any provision of this Agreement, the prevailing party or parties shall be entitled to costs and reasonable attorney fees.

11. California Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

12. Invalidity. Any provision of the Agreement which is determined by a court to be invalid or unenforceable shall be deemed severed herefrom, and the remaining provisions shall remain in full force and effect as if the invalid or unenforceable provision had not been a part hereof.

13. No Inference. The parties hereto acknowledge and agree that this Agreement is the product of negotiation between Assignor and Assignee and that the language and terms of this Agreement shall not be interpreted or construed in favor of or against any one party by reason thereof.

14. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute one and the same instrument.

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

<p><b>ASSIGNOR:</b></p> <p><b>CALIFORNIA HOUSING FINANCE AGENCY</b>, a public instrumentality and political subdivision of the State of California</p> <p>By: _____ Name: _____ Title: _____</p>	<p><b>ASSIGNEE:</b></p> <p><b>COUNTY OF MONTEREY</b>, a political subdivision of the State of California</p> <p>By: _____ Name: Ray Bullick Title: Director of Health</p>
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State of California

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

On \_\_\_\_\_ before me \_\_\_\_\_,  
Date

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.

Place Notary Seal Above

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

State of California

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

On \_\_\_\_\_ before me \_\_\_\_\_,  
Date

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.

Place Notary Seal Above

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

Exhibit A  
Legal Description of the Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MARINA, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

A portion of the former Fort Ord Military Reservation as it is shown on that certain map recorded in Volume 19 of Surveys as Page 1, and being all of Parcel B as shown on that certain map recorded in Volume 20 of Surveys at Page 73, being within Monterey City Lands Tract No. 1, City of Marina, County of Monterey, State of California, being more particularly described as follows:

Beginning at the most Southerly corner of Parcel 1 as it is shown on that certain map recorded in Volume 19 of Surveys at Page 136, point also being the most easterly corner of Parcel B; thence from said Point of Beginning along the southerly boundary of said Parcel B and the Northerly line of Imjin Road Corridor as shown on said map,

- (1) South 50° 00' 00" West, 83.99 feet;
- (2) Thence along a tangent curve to the right, having a radius of 2300.00 feet, through a central angle of 5° 19' 23", an arc length of 213.68 feet to a point of compound curvature;
- (3) Thence along a curve to the right, having a radius of 80.00 feet, through a central angle of 110° 18' 30", an arc length of 154.02 feet;
- (4) Thence along the easterly line of Abrams Road Corridor North, 14° 22' 07" West, 386.80 feet to the southerly line of Lexington Court as shown on said Record of Survey (20S73), being a point on a non-tangent curve to the right having a radius of 383.00 feet from which a radial line bears South 5° 15' 46" East;
- (5) Thence along said curve, through a central angle of 4° 11' 14", for an arc length of 27.99 feet;
- (6) Thence along a line tangent to last said curve, North 88° 55' 28" East, 132.86 feet;
- (7) Thence along a tangent curve to the left, having a radius of 437.00 feet, through a central angle of 15° 15' 54", an arc length of 116.43 feet;
- (8) Thence along a line tangent to last said curve, North 73° 39' 33" East, 97.68 feet;
- (9) Thence South 16° 20' 27" East for a distance of 5.00 feet to the most westerly corner of Parcel 1 as said parcel is shown on said Record of Survey (19 S 136);
- (10) Thence along the westerly line of said Parcel 1 and the easterly line of said Parcel B South 16° 20' 27" East, 293.24 feet to the Point of Beginning.

Excepting therefrom all mineral rights with the right of surface entry in a manner that does not unreasonably interfere with the development and enjoyment of the property as set forth in the Quitclaim Deed executed by the United States of America, recorded May 8, 2009, Instrument No. 200928272, Official Records, Monterey County.

The above said property is also shown as "Parcel B" on the Record of Survey, filed September 27, 1996, Volume 20, Page 73, Official Records, Monterey County.

APN: 031-081-013