

Recording Requested By And
When Recorded, Return To:

County of Monterey
Economic Development Department
Housing Office
1441 Schilling Place - North
Salinas, CA 93901

Attention: Housing Programs Manager

APN: 117-331-009-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

58 Brooklyn St., Pajaro, CA 95076

ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
And LOAN AGREEMENT
(58 Brooklyn Street – Agency/CDBG Loan)

This Assignment and Assumption of Regulatory Agreement and Declaration of Restrictive Covenants (the "Assignment") is made on February 24, 2018 by and between South County Housing Corporation, a California nonprofit public benefit corporation ("Assignor"), and Pajaro Valley Shelter Services, a California nonprofit corporation ("Assignee") who agree as follows:

RECITALS:

WHEREAS, Assignor owns certain residential rental property commonly known as 58 Brooklyn Street located in Pajaro, California (the "Property") and as more fully described in Exhibit A of this Assignment;

WHEREAS, the County of Monterey and the Redevelopment Agency of the County of Monterey (the "County") made loans utilizing Community Development Block Grant (CDBG), HOME, and Low-Moderate Income Housing Trust Funds to the Assignor for the purpose of acquiring and rehabilitating the Property;

WHEREAS, that certain Regulatory Agreement and Declaration of Restrictive Covenants ("58 Brooklyn Street – CDBG/Agency Loan") made effective as of June 5, 2003 (the "Regulatory Agreement") by and between Assignor and the County of Monterey as successor to the Redevelopment Agency of the County of Monterey ("Successor Agency"), incorporated herein by this reference, established certain occupancy and affordability requirements as a condition of accepting the various loans;

WHEREAS, that certain Loan Agreement (the “Loan Agreement”) by and between the County, Successor Agency, and Assignor was made effective as of June 5, 2003, incorporated herein by this reference, established the terms and conditions for repayment of the Agency Loan;

WHEREAS, that certain Deed of Trust and Security Agreement by and between the County, Successor Agency, and Assignor was made effective as of June 5, 2003, incorporated herein by this reference, pledged the Property as security for the loan and further detailed the rights and responsibilities of the parties;

WHEREAS, the County wishes to keep the Property in its affordable housing stock by continuing the requirements imposed by the Regulatory Agreement until at least June 5, 2058; and,

WHEREAS, Assignor wishes to transfer the Property to Assignee and pursuant to such acquisition, Assignor desires to assign the Regulatory Agreement to Assignee, and Assignee desires to accept such assignment and assume the obligations of Assignor under the Regulatory Agreement subject to the terms and conditions of this Assignment.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the Recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignee and Assignor hereby agree as follows:

1. Effective Date. This Assignment is effective as of the latest date of the respective signatures below.
2. Assignment of Regulatory Agreement. Assignor does hereby sell, transfer, assign and set over unto Assignee all of Assignor’s right, title and interest in, to and under the Regulatory Agreement, including, without limitation, any and all amendments, modifications and supplements thereto.
3. Assumption of Regulatory Agreement. Assignee acknowledges that it has read the Regulatory Agreement and hereby assumes and promises to perform all of Assignor’s obligations under the Regulatory Agreement which accrue from and after the date of this Assignment.
4. Assignment of Loan Agreement. Assignor does hereby sell, transfer, assign and set over unto Assignee all of Assignor’s right, title and interest in, to and under the Loan Agreement, including, without limitation, any and all amendments, modifications and supplements thereto.
5. Assumption of Loan Agreement. Assignee acknowledges that it has read the Loan Agreement and hereby assumes and promises to perform all of Assignor’s obligations under the Regulatory Agreement and Declaration of Restrictive Covenants which accrue from and after the date of this Assignment.
6. Assignment of Deed of Trust and Security Agreement. Assignor does hereby sell, transfer, assign and set over unto Assignee all of Assignor’s right, title and interest in, to and under

the Deed of Trust and Security Agreement, including, without limitation, any and all amendments, modifications and supplements thereto.

7. Assumption of Deed of Trust and Security Agreement. Assignee acknowledges that it has read the Regulatory Agreement and hereby assumes and promises to perform all of Assignor's obligations under the Deed of Trust and Security Agreement which accrue from and after the date of this Assignment.

8. Repayment. Assignee agrees to repay the outstanding principal balance of the County's Community Development Block Grant (CDBG), HOME and Redevelopment Agency rental acquisition and rehabilitation loans as a condition of transfer and the County's consent to this Assignment.

8.1 Assignee shall repay the indebtedness prior to the recordation of any Deed of Trust for the Property in the Assignee's favor.

8.2 The balances due on each loan are shown in Table 1:

	Table 1		
	Principal	Accrued Interest	Pay Off @ January 1, 2018
Agency Loan	\$102,700.00	\$44,484.58	\$147,184.58
County CDBG Loan	\$110,257.00	\$47,758.33	\$158,016.33
County HOME Loan	<u>\$103,000.00</u>	<u>\$0.00</u>	<u>\$103,000.00</u>
Total Due	\$315,958.00	\$92,242.91	\$408,200.91

8.3 Forgiveness. In order to retain the Property's affordability levels, the County shall forgive all accrued interest at the time the Property is transferred to the Assignee.

8.4 Repayment of the principal loans by the Assignee and forgiveness of the accrued interest by the County on the Agency and County loans only satisfies the Assignor's/Assignee's financial responsibilities under the Deed of Trust and Security Agreement, the Loan Agreement and the Regulatory Agreement; and all other terms of those agreements remains in full force and effect.

8.4.1 Specifically, the repayment and forgiveness conditions described in Section 6.4 release the Assignor from the Deed of Trust and Security Agreement Clauses A and B. Clause C shall remain in effect during the duration of this Assignment and Assumption Agreement.

9. Indemnification by Assignor. Assignor agrees to immediately indemnify, defend and hold Assignee and County harmless from and against any and all liability arising under the Regulatory Agreement and this Assignment including liability for costs and attorneys' fees, arising from, those agreements, including but not limited to Assignor's failure to perform or any default by Assignor with respect to the Assignor's obligations under the Regulatory Agreement during any period prior to the date of this Assignment.

10. Indemnification by Assignee. Assignee hereby agrees to immediately indemnify, defend and hold Assignor and County harmless from and against any and all liability arising under the Regulatory Agreement and this Assignment including liability for costs and attorneys' fees, arising from those agreements, including but not limited to Assignee's failure to perform or any default by Assignee with respect to the Assignee's obligations under the Regulatory Agreement during any period on or after the date of this Assignment.

11. Attorneys' Fees. If any party commences an action against any of the other parties arising out of or in connection with this Assignment, the prevailing party or parties shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs of suit.

12. Notice. All notices, requests, demands, or other communications permitted or required to be given under this Assignment shall be in writing and either served personally or sent by prepaid, first-class mail or by nationally or locally recognized delivery service which provides for acknowledgment of receipt. Such notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.

ASSIGNOR: South County Housing Corporation
16500 Monterey Road #120
Morgan Hill, CA 95037
Attention: Jon Cesare

ASSIGNEE: Pajaro Valley Shelter Services
115 Brennan St.
Watsonville, CA 95076
Attention: Kimberly Ferm

13. Successors. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

14. Modification. This Assignment may not be modified except by a written instrument executed by the parties hereto and with the consent of the County.

15. Further Assurances. From time to time, each party will execute and deliver such further instruments and will take such other action as the other party reasonably may request in order to discharge and perform their obligations and agreements hereunder.

16. Entire Agreement. This Assignment, the Regulatory Agreement, and the Loan Agreement, constitute the entire agreement between the parties relating to the Regulatory Agreement, and all prior negotiations, representations or agreements between the parties are merged into this Assignment.

17. Governing Law. This Assignment shall be construed in accordance with the laws of the State of California.

18. Executed Counterparts. This Assignment may be executed in one or more counterparts, all of which together shall constitute a single agreement and each of which shall be an original for all purposes.

19. Section Headings. The various section headings in this Assignment are inserted for reference only and shall not affect the meaning or interpretation of this Assignment or any section thereof.

15. Severability. In the event that any of the provisions, or portions thereof, of this Assignment are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions or portions thereof, shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have signed this Assignment on the dates set forth below.

ASSIGNOR:

ASSIGNEE:

SOUTH COUNTY HOUSING
CORPORATION

PAJARO VALLEY SHELTER SERVICES

By: _____

By: _____

Its: John Cesare, CFO

Its: Kimberley Ferm, Executive Director

Date: _____

Date: _____

CONSENT

The undersigned hereby consents to the foregoing Assignment.

HOUSING SUCCESSOR AGENCY OF THE
COUNTY OF MONTEREY

COUNTY OF MONTEREY

By: _____

By: _____

David Spaur
Economic Development Director

David Spaur
Economic Development Director

APPROVED AS TO FORM:

Brian Briggs,
Deputy County Counsel

Exhibit A
Legal Description

The land referred to is situated in the State of California, County of Monterey, in the unincorporated area, and is described as follows:

Lot 3 in Block 3, as shown on that certain map entitled “Subdivision No. 2 of Land of the Estate of Fanny C. Porter”, filed for record January 26, 1938, in the Office of the County Recorder of the County of Monterey, State of California, in Volume 4 of Maps, “Cities and Towns”, at Page 14.

Assessor’s Parcel Number 117-331-009-000