

**ASSIGNMENT AND ASSUMPTION AGREEMENT
(HELP LOAN)**

This Assignment and Assumption Agreement (the "Agreement") is entered into as of this ____ day of _____, 2014, by and among Mercy Housing California, a California nonprofit public benefit corporation ("Assignor"), Mercy Housing California 55, a California Limited Partnership ("Assignee") and the El Dorado County Public Housing Authority (the "County") with reference to the following facts:

A. The County and Assignor entered into a Loan Agreement dated as of December 29, 2009 (the "Loan Agreement"), pursuant to which the County agreed to loan the Assignor the amount of \$100,000 in CalHFA HELP program funds (the "Loan") to be used for certain costs and fees in connection with Assignor's pre-development, development and construction costs associated with the development of a residential housing project for low income families known as Sunset Lane Apartments consisting of 40 units in Shingle Springs, El Dorado County, California (the "Project"). In connection with the Loan, the Assignor executed a promissory note dated as of December 29, 2009, in the amount of the Loan in favor of the County (the "Note"). The Loan Agreement, the Note and any other documents evidencing or securing the Loan shall be collectively referred to herein as the "Loan Documents".

B. The Assignee is acquiring the Project from the Assignor pursuant to a Grant Deed.

C. Assignor wishes to assign its rights, title and interest in and obligations under the Loan Documents to Assignee, and Assignee wishes to assume Assignor's rights and obligations under the Loan Documents.

D. Assignee desires to release Assignor from all obligations in connection with the Loan Documents.

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 Assignor. Assignor hereby assigns, conveys and transfers to Assignee all of Assignor's rights, title, liabilities, covenants, agreements and obligations under the Loan Documents.

2. Acceptance of Assignment. Assignee hereby accepts the above assignment and hereby assumes all of the rights, title, obligations, covenants, liabilities and agreements of Assignor and Assignee shall faithfully pay and perform in Assignor's stead, as and when due, any and all liabilities and obligations of Assignor under the Loan

Documents. Any reference to Assignor in the Loan Documents described above shall be deemed a reference to Assignee.

3. Release of Assignor. Assignee hereby releases Assignor from all obligations imposed under the Loan Documents.
4. Payment of Obligations. Assignee agrees that any amounts due from Assignor pursuant to the Loan Documents shall be assumed by Assignee. Payment shall be made in lawful money of the United States to Payee at 330 Fair Lane, Building A, Placerville CA 95567, Attn: Housing, Community and Economic Development Programs
5. Consent to Assignment. Conditioned on the representations and obligations contained in this Agreement, the County hereby consents to the assignment of the Loan Documents from Assignor to Assignee as set forth herein and hereby releases Assignor from all obligations imposed under the Loan Documents.
6. Assignor Representations. Assignor represents and warrants to County that: (i) Assignor has the power and authority to execute, deliver and perform its obligations under this Agreement; (ii) the execution, delivery and performance of this Agreement do not violate any rule, regulation, statute, law, order, decree, judgment or the like, or any agreement or instrument to which Assignor is a party, and Assignor is not in breach or default under the Loan Documents; (iii) Assignor has no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature against County relative to the Loan Documents or this Agreement; and (iv) Assignor has not received any notice from any governmental agency relating to any alleged violation of law, ordinance, rule or regulation.
7. Assignee Representations. Assignee represents and warrants to County that: (i) Assignee is a duly organized, validly existing limited partnership in good standing under the laws of the State of California; (ii) Assignee has the power and authority to execute, deliver and perform its obligations under the Loan Documents and this Agreement; (iii) the execution, delivery and performance of the Loan Documents and this Agreement do not violate any rule, regulation, statute, law, order, decree, judgment or the like, or any agreement or instrument to which Assignee is a party, and Assignee is not in breach or default under any lease or other agreement to which it is a party; (iv) Assignee has no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature against County; (v) Assignee has not received any notice from any governmental agency relating to any alleged violation of law, ordinance, rule or regulation; (vi) Assignee shall comply with all of the terms and provisions of the Loan Documents; and (vii) Assignee has not filed, and currently has no intention to file, for any bankruptcy or debtor relief, and Assignee is not insolvent.

8. Reaffirmation of Loan Documents. Assignee hereby affirms and agrees that (i) the Loan Documents constitute the valid, legally binding obligation of Assignee as of the date of this Agreement, enforceable against Assignee in accordance with their terms, and (ii) County shall have the right to exercise any and all remedies against Assignee, including actions to realize or collect upon the security, that County would have had against Assignor but for this Agreement. Assignor and Assignee shall not take any action of any kind, directly or indirectly, to oppose, impede, obstruct, enjoin or otherwise interfere with the exercise by County of any of its rights and remedies under the Loan Documents.

9. No Limitation of Remedies. Nothing in this Agreement is intended to limit any rights, powers or remedies of County in enforcing the Loan Documents. Nothing herein shall constitute or be construed as a waiver of any rights or remedies of County under the Loan Documents, or at law or in equity. The Loan Documents are hereby confirmed and ratified in all respects.

10. Notice and Cure Rights. County agrees that any cure of any default made or tendered by one or more of Assignee's limited partners shall be deemed to be a cure by Assignee and shall be accepted or rejected on the same basis as if made or tendered by Assignee. Copies of all notices which are sent to the Assignee shall also be sent to:

c/o Enterprise Community Investment, Inc.
10227 Wincopin Circle
Columbia, MD 21044
Attention: General Counsel

11. Effective Date. The assignment set forth above shall be effective upon final execution by all parties hereto.

12. 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.

13. Additional Documents. The Assignor, the Assignee and the County agree to execute or provide such documents and instruments, as may be necessary to effectuate the intent of this Agreement.

14. Title of Parts and Sections. Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

15. Indemnity. The Assignor and Assignee shall indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages and expenses of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of the failure of Assignee to pay or perform faithfully and punctually any liability, duty or obligation hereby assumed.

16. Attorneys Fees and Costs. The County shall be entitled to receive from the Assignee or any person violating the requirements of this Agreement, in addition to any remedy otherwise available under this Agreement or at law or equity, whether or not litigation is instituted, the costs of enforcing this Agreement, including, without limitation, reasonable attorneys' fees and the costs of County staff time.

17. Severability. In the event any limitation, condition, restriction, covenant, or provision contained in this Agreement is to be held invalid, void or unenforceable by any court of competent jurisdiction, the remaining portions of this Agreement shall nevertheless, be and remain in full force and effect.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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

ASSIGNOR:

Mercy Housing California,
a California nonprofit public benefit corporation

By: _____

Its: _____

ASSIGNEE:

Mercy Housing California 55,
a California Limited Partnership

By: Sunset Lane Apartments LLC,
a California limited liability company,
its general partner

By: Mercy Housing Calwest,
a California nonprofit public benefit
corporation, its sole member/ manager

By: _____

Its: _____

COUNTY:

County of El Dorado

By: _____

Its: _____