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Cook County Recorder

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ASSUMPTION AND RELEASE AGREEMENT

This Assumption and Release Agreement ("Agreement") is made effective as of March 8, 2001 by and among 1133 N. Dearborn, LLC, an Illinois limited liability company, 7100 South Shore Partners, LLC, an Illinois limited partnership (individually and collectively the "Transferors"), Robert J. Buford ("Original Key Principal") and 1133 N. Dearborn, LLC, an Illinois limited liability company, 7100 South Shore Partners, LLC, an Illinois limited liability company and Fifty-Four Hundred Harper, L.L.C., an Illinois limited liability company (individually and collectively the "Transferees"), Robert J. Buford ("New Key Principal"), and Fannie Mae.

RECITALS:

A. Fannie Mae is the holder of that certain Multifamily Note (as modified by the Addendum to Multifamily Note, the "Note"), dated February 2, 2000, in the original principal amount of \$3,959,000.00 made by Transferors, to ARCS Commercial Mortgage Co., L.P., a California limited partnership ("Original Lender"), which Note evidences a loan ("Loan") made by Original Lender to Transferors. To secure the repayment of the Note, Transferors also executed and delivered a Multifamily Mortgage, Assignment of Rents and Security Agreement, including a Rider to Multifamily Instrument (the "Security Instrument"), dated February 2, 2000, recorded in the official records of Cook County, State of Illinois on February 8, 2000, as Document No. 00098845 that grants a lien on the property described in Exhibit A to this Agreement (the "Property"). The Transferors are liable for the payment and performance of all of Transferors' obligations under the Note, the Security Instrument and all other documents executed in connection with the Loan, as listed on Exhibit B to this Agreement (collectively, the "Loan Documents"). Each of the Loan Documents has been duly assigned or endorsed to Fannie Mae. The current servicer of the Loan is ARCS Commercial Mortgage Co., L.P., a California limited partnership ("Servicer").

B. The Original Key Principals are liable for the obligations under the Acknowledgement and Agreement of Key Principal to Personal Liability for the Exceptions to Non-Recourse Liability contained in the Note (the "Acknowledgement").

C. Fannie Mae has been asked to consent to the transfer of the Property to the Transferees and the assumption by the Transferees of the obligations of the Transferors under the Loan Documents.

D. Fannie Mae has agreed to consent to the transfer of the Property by Transferors to Transferees subject to the terms and conditions stated below.

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In consideration of the foregoing and the mutual covenants and promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Fannie Mae, Transferors, Original Key Principals, and Transferees and New Key Principals agree as follows:

1. Assumption of Obligations. The Transferees agree to assume all of the payment and performance obligations of the Transferors set forth in the Note, the Security Instrument and the other Loan Documents in accordance with their respective terms and conditions, as the same may be modified by this Agreement, including without limitation, payment of all sums due under the Note. The Transferees further agree to abide by and be bound by all of the terms of the Loan Documents, all as though each of the Loan Documents had been made, executed and delivered by the Transferees.
2. Transferors' and Original Key Principals' Representations and Warranties. The Transferors and the Original Key Principals represent and warrant to Fannie Mae as of the date of this Agreement that:
 - (a) The Note has an unpaid principal balance of \$3,931,663.39, and prior to default bears interest at the rate of eight and 5/10's percent (8.5%) per annum;
 - (b) The Note requires that monthly payments of principal and interest in the amount of \$30,441.29 be made on or before the first (1st) day of each month, continuing to and including March 1, 2010, when all sums due under the Loan Documents will be immediately due and payable in full;
 - (c) The Security Instrument is a valid second lien on the Property for the full unpaid principal amount of the Loan and all other amounts as stated in the Security Instrument;
 - (d) There are no defenses, offsets or counterclaims to the Note, the Security Instrument or the other Loan Documents;
 - (e) There are no defaults by the Transferors under the provisions of the Note, the Security Instrument or the other Loan Documents;
 - (f) All provisions of the Note, the Security Instrument and other Loan Documents are in full force and effect;
 - (g) Except for liens in favor of the Lender, there are no subordinate liens of any kind covering or relating to the Property, nor are there any mechanics' liens or liens for unpaid taxes or assessments encumbering the Property, nor has notice of a lien or notice of intent to file a lien been received; and

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The Transferors and Original Key Principals understand and intend that Fannie Mae will rely on the representations and warranties contained herein.

3. Transferee's Representations and Warranties. The Transferees represent and warrant to Fannie Mae as of the date of this Agreement that Transferees do not have any knowledge that any of the representations made by Transferors and Original Key Principals in Paragraph 2 above are not true and correct.
4. Consent to Transfer. Fannie Mae hereby consents to the transfer of the Property and to the assumption by the Transferees of all of the obligations of the Transferees under the Loan Documents, subject to the terms and conditions set forth in this Agreement. Fannie Mae's consent to the transfer of the Property to the Transferees is not intended to be and shall not be construed as a consent to any subsequent transfer which requires the Lender's consent pursuant to the terms of the Security Instrument.
5. Priority/Modification. This Agreement embodies and constitutes the entire understanding among the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in such instrument. Except as expressly modified hereby, the Note, Security Instrument and other Loan Documents shall remain in full force and effect and this Agreement shall have no effect on the priority or validity of the liens set forth in the Security Instrument or the Loan Documents, which are incorporated herein by reference. Transferors and the Original Key Principal(s) hereby ratify/ratifies the agreements made by it/them to Fannie Mae in connection with the Loan and agree(s) that except to the extent modified hereby, all of such agreements remain in full force and effect.
6. No Impairment of Lien. Nothing set forth herein shall affect the priority or extent of the lien of any of the Loan Documents, nor, except as expressly set forth herein, release or change the liability of any party who may now be or after the date of this Agreement, become liable, primarily or secondarily, under the Loan Documents.
7. Costs. The Transferees and the Transferors agree to pay all fees and costs (including attorneys' fees) incurred by Fannie Mae and the Servicer in connection with Fannie Mae's consent to and approval of the transfer of the Property and a transfer fee of \$0.00 in consideration of the consent to that transfer.
8. Financial Information. The Transferees represent and warrant to Fannie Mae that all financial information and information regarding the management capability of Transferees provided to the Servicer or Fannie Mae was true and correct as of the date provided to the Servicer or Fannie Mae and remains materially true and correct as of the date of this Agreement.

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9. Addresses. Transferees' address for notice hereunder and under the Loan Documents is:

1333 N. Kingsbury, Suite 301
Chicago, Illinois 60622

Transferors' address for notice hereunder and under the Loan Documents is:

1333 N. Kingsbury, Suite 301
Chicago, Illinois 60622

10. Miscellaneous.

(a) This Agreement shall be construed according to and governed by the laws of the jurisdictions in which the Property is located without regard to its conflicts of law principles.

(b) If any provision of this Agreement is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Agreement will remain in full force and effect.

(c) No change or modification of this Agreement shall be valid unless the same is in writing and signed by all parties hereto.

(d) The captions contained in this Agreement are for convenience of reference only and in no event define, describe or limit the scope or intent of this Agreement or any of the provisions or terms hereof.

(e) This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

(f) This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

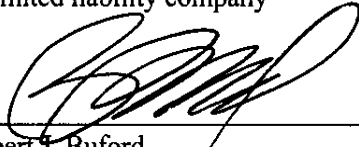
(g) THIS WRITTEN AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS AMENDED, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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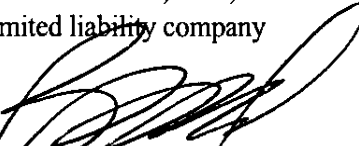
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

TRANSFEREES:


1133 N. Dearborn, LLC,
an Illinois limited liability company

By: 
Name: Robert J. Buford
Title: Managing Member
Date: March 8, 2001

7100 South Shore Partners, LLC,
an Illinois limited liability company

By: 
Name: Robert J. Buford
Title: Managing Member
Date: March 8, 2001

Fifty-Four Hundred Harper, L.L.C.,
an Illinois limited liability company

By: 
Name: Robert J. Buford
Title: Managing Member
Date: March 8, 2001

Property of Cook County Public Office

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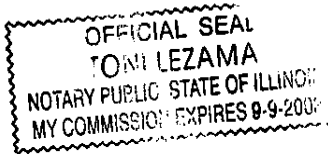
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THE STATE OF Illinois

COUNTY OF COOK

BEFORE ME TONI LEZAMA, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert J. Buford, known to me to be the Managing member of 1133 N. Dearborn, LLC that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 8th day of March, 2000.



Toni Lezama
Signature of Notary Public

Notary Public in and for
COOK County, ILLINOIS

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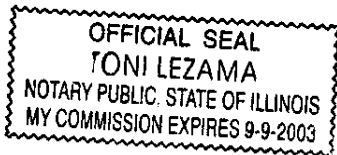
THE STATE OF Illinois

COUNTY OF COOK

BEFORE ME TONI LEZAMA, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert J. Buford, known to me to be the Managing Member of 7100 South Shore Partners, LLC that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 9th day of March, 2000.

Toni Lezama
Signature of Notary Public



Notary Public in and for
COOK County, ILLINOIS

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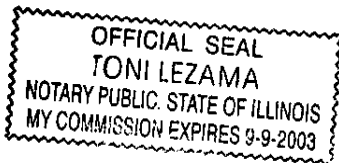
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THE STATE OF ILLINOIS

COUNTY OF COOK

BEFORE ME TONI LEZAMA, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert J. Buford, known to me to be the Managing Member of Fifty Four Hundred Paper, LLC that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 8th day of March, 2000.

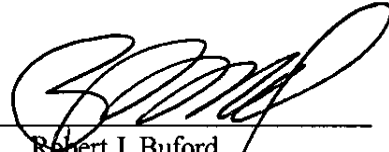


Toni Lezama
Signature of Notary Public

Notary Public in and for
COOK County, ILLINOIS

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NEW KEY PRINCIPALS:



Name: Robert J. Buford
Address: 1333 N. Kingsbury, Suite 301
Chicago, Illinois 60622
Date: March 8, 2001

Property of Cook County Clerk's Office

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TRANSFERORS:

1133 N. Dearborn, LLC,
an Illinois limited liability company

By: 

Name: Robert J. Buford

Title: Managing Member

Date: March 8, 2001

7100 South Shore Partners, LLC,
an Illinois limited liability company

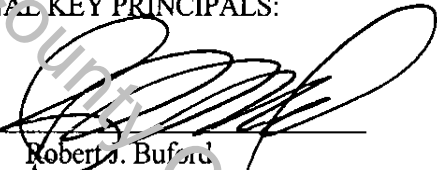
By: 

Name: Robert J. Buford

Title: Managing Member

Date: March 8, 2001

ORIGINAL KEY PRINCIPALS:


Name: Robert J. Buford

Address: 1333 N. Kingsbury, Suite 301
Chicago, Illinois 60622

Date: March 8, 2001

Property of Cook County Clerk's Office

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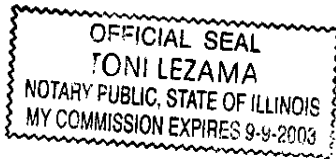
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THE STATE OF Illinois

COUNTY OF COOK

BEFORE ME TONI LEZAMA, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert J. Boland, known to me to be the Managing member of 1133 N. Dearborn, LLC that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 8th day of March, 2000.



Toni Lezama
Signature of Notary Public

Notary Public in and for
Cook County, ILLINOIS

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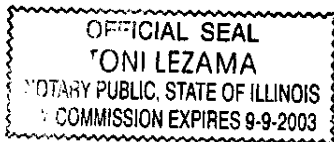
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THE STATE OF Illinois

COUNTY OF COOK

BEFORE ME TONI LEZAMA, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert J. Buford, known to me to be the Managing member of 7100 South Shore Parkway, LLC that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 8th day of March, 2000.



Toni Lezama
Signature of Notary Public

Notary Public in and for
COOK County, ILLINOIS

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FANNIE MAE

(Seal)
Name: *[Signature]*
Title: _____
Date: _____

THE STATE OF _____

COUNTY OF _____

On the _____ day of _____, 2001, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he/she/they is/are the _____ of Fannie Mae, who are described in and who executed the foregoing instrument on behalf of such corporation, and did acknowledge that she executed the foregoing instrument as the act and deed of said corporation.

Notary Public

(Seal)

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On March 14, 2001 before me, Inez E. Moran, Notary Public

personally appeared Paul O. Lewis

personally known to me - OR - ~~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.



WITNESS my hand and official seal.

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Assumption Release Agreement

Document Date: March 8, 2001 Number of Pages: _____

Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

Right Thumbprint
of Signer

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Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

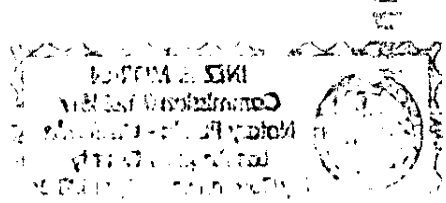
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of Signer

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Property of Cook County Clerk's Office



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EXHIBIT A

to

ASSUMPTION AND RELEASE AGREEMENT

PARCEL 1:

LOTS 1 AND 2 IN ASSESSOR'S DIVISION OF NORTH 200 FEET OF BLOCK 17 IN BUSHNELL'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH HALF OF LOT 3 IN THE ASSESSOR'S DIVISION OF THE NORTH 200 FEET OF BLOCK 17 IN BUSHNELL'S ADDITION TO CHICAGO IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH HALF OF LOT 3 IN THE ASSESSOR'S DIVISION OF THE NORTH 200 FEET OF BLOCK 17 IN BUSHNELL'S ADDITION TO CHICAGO IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 4 IN ASSESSOR'S DIVISION OF THE NORTH 200 FEET OF BLOCK 17 IN BUSHNELL'S ADDITION TO CHICAGO IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAX # 17-04-414-004, 17-04-414-005, 17-04-414-006, 17-04-414-023

Address 1133 N. Dearborn
Chicago, IL 60622

Return to # ARCS Commercial Mortgage Co., L.P.
26901 Agoura Road, Suite 200
CALABASAS Hills, CA 91301

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EXHIBIT B
to the
ASSUMPTION AND RELEASE AGREEMENT

1. Multifamily Note dated February 2, 2000 by 1133 N. Dearborn, LLC, an Illinois limited liability company and 7100 South Shore Partners, LLC, an Illinois limited liability company ("Transferors") for the benefit of ARCS Commercial Mortgage Co., L.P., a California limited partnership ("Original Lender"), as modified by an Addendum to Note dated February 2, 2000.
2. Assumption and Release Agreement dated February 2, 2000, by 1133 N. Dearborn, LLC, an Illinois limited liability company and 7100 South Shore Partners, LLC, an Illinois limited liability company ("Transferor").
3. Multifamily Mortgage Assignment of Rents and Security Agreement, including a Rider to Multifamily Instrument, dated February 2, 2000, by Transfer for the benefit of Original Lender.
4. Replacement Reserve and Security Agreement dated February 2, 2000 by and between Original Lender and Transferors.
5. Assignment of Management Agreement ~~[require a new agreement in all cases]~~ dated March 8, 2001, by and among, Transferors, Original Lender and Planned Property Management, Inc.
6. Subordination Agreement and Non-Disturbance and Acknowledgment Agreement dated February 23, 1999, between Lender and Family Pride Landscapes, a Division of Hughes Enterprises, Inc.

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