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Doc#: 1218122048 Fee: \$54.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 06/29/2012 11:39 AM Pg: 1 of 9

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D-1 JF

**Recording Requested by and
after Recording Return to:**

**LEVY, LEVY & LEVY
900 Larkspur Landing Circle, Suite 275
Larkspur, CA 94939**

Attn: Mark Levy, Esq.

RELEASE AND ASSUMPTION AGREEMENT

CRESTWOOD

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PROJECT: CRESTWOOD TERRACE
 FHA No.: 071-22125
 Crestwood, Illinois

RELEASE AND ASSUMPTION AGREEMENT

THIS RELEASE AND ASSUMPTION AGREEMENT ("Agreement"), entered into as of this 07 day of June, 2012, by and among **GRANITE CRESTWOOD TERRACE, LLC**, an Illinois limited liability company (hereinafter called "Seller") and **CT CRESTWOOD, LLC**, a Delaware limited liability company (hereinafter called the "Purchaser") and **CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS**, an Illinois corporation (hereinafter referred to as "First Mortgage"), the holder of the **Mortgage Note, dated April 1, 2009**, in the original principal sum of **\$7,012,500.00**, executed by Seller ("Mortgage Note") and secured by a **Mortgage, dated April 1, 2009, and recorded in the Office of the County Recorder of Cook County, State of Illinois, on April 2, 2009, as Document # 0909222050** ("Mortgage"), and further secured by a **Security Agreement dated as of April 1, 2009** ("Security Agreement").

WITNESSETH:

In consideration of the consent of the **SECRETARY OF THE HOUSING AND URBAN DEVELOPMENT** (hereinafter referred to as "Secretary") to the transfer of the mortgaged property to the Purchaser, and in order to comply with the requirements of the Secretary, the National Housing Act, and the Regulations adopted pursuant thereto, the Purchaser agrees to assume, except as limited below, and be bound by said Mortgage Note, Mortgage, Security Agreement and by that certain **Regulatory Agreement, dated April 1, 2009, and recorded in the Office of the County Recorder of Cook County, State of Illinois, on April 2, 2009, as Document # 0909222051** ("Regulatory Agreement").

Notwithstanding anything in this Agreement to the contrary, the Purchaser does not assume personal liability for payments due under said Mortgage Note, Mortgage, and Security Agreement or for the payments to the reserve for replacements under the Regulatory Agreement or for matters not under its control, provided that the Purchaser shall remain liable under the Regulatory Agreement only with respect to the matters hereinafter stated; namely;

- A) for funds or property of the Project coming into its hand which, by the provisions thereof, it is not entitled to retain; and,
- B) for its own acts and deed or acts and deeds of others which it has authorized in violation of the provisions thereof; and
- C) for the acts and deeds of affiliates, as defined in the Regulatory Agreement, which they have authorized in violation of the provisions of the Regulatory Agreement, and
- D) as otherwise provided by law.

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The Purchaser is to be bound by said Mortgage Note, Mortgage, Security Agreement, and Regulatory Agreement, subject to the foregoing limitation of personal liability, from the date of the recording of this Agreement to the same extent as if it had been an original party to said instruments.

Upon recordation of this Release, Assumption and Modification Agreement in the **Official Records of Cook County, State of Illinois**, Seller will be released from all liability under the said Mortgage Note, Mortgage, Security Agreement, and the Regulatory Agreement executed and/or assumed by the Seller in connection with the Project, excepting that the Seller, its members and managers shall remain liable under said Regulatory Agreement with respect to the matters hereinafter stated, namely:

- (1) for funds or property of the Project coming into its hands which, by the provisions thereof, it is not entitled to retain; and
- (2) for its own acts and deeds or acts and deeds of others which it has authorized in violation of the provisions thereof.

The Purchaser agrees that there shall be full compliance with the provisions of (1) any laws prohibiting discrimination in housing on the basis of race, color, creed, familial status, religion, handicap, or national origin; and (2) with the Regulations of the Department of Housing and Urban Development providing for nondiscrimination and equal opportunity in housing. It is understood and agreed that failure or refusal to comply with any such provisions shall be a proper basis for the Secretary to take any corrective action he may deem necessary, including, but not limited to, the rejection of future applications for FHA mortgage insurance and the refusal to enter into future contracts of any kind with which the Purchaser is identified; and further, the Secretary shall have a similar right to corrective action (1) with respect to any individuals who are officers, directors, principal stockholders, trustees, managers, partners or associates of the Purchaser, and (2) with respect to any corporation or any other type of business association or organization with which the officers, directors, principal stockholders, trustees, managers, partners, or associates of the Purchaser may be identified.

Nothing in this Agreement shall waive, compromise, impair or prejudice any right the Mortgagee or HUD may have to seek judicial recourse for any breach of the HUD Regulatory Agreement by the Seller from and after the date hereof. In the event that the Mortgagee or HUD initiates an action for breach of the HUD Regulatory Agreement and recovers funds, either on behalf of the Mortgagee or HUD or on behalf of the Project, those funds may be applied, at the discretion of HUD, to payment of the delinquent amounts due under the Mortgage or as a partial payment of the mortgage loan.

Nothing herein contained shall in any way impair the Mortgage Note, or the security now held for the indebtedness evidenced by the Mortgage Note, or alter, waive, annul, vary or affect any provision, covenant or condition of any of the Loan Documents, except as specifically modified and amended herein; not affect or impair any rights, powers or remedies of the Mortgagee or HUD under any of the Loan Documents, nor create a novation or new agreement by and between the parties hereto, it being the intent of the parties to this Agreement that all of

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the terms, covenants, conditions and agreements of the Loan Documents are expressly approved, ratified and confirmed, shall continue and remain in full force and effect except as modified hereby and that the lien of the Mortgage and the HUD Regulatory Agreement and the priority thereof shall be unchanged.

This Agreement may be signed in counterparts, which, when added together, shall be considered as the entire document.

This Agreement shall be effective on the date of recording of this instrument in the land records where the project is located.

{Signatures to follow on next page.}

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective all as of the day and year first above written.

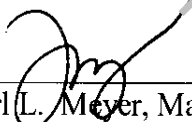
Date: June 07, 2012

PURCHASER:

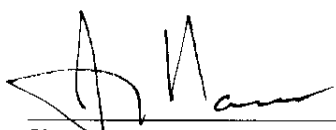
CT CRESTWOOD, LLC,
a Delaware limited liability company

By: JLM FINANCIAL HEALTHCARE, LP,
a Texas limited partnership,
Its Sole Member and Manager

By: JLM FINANCIAL INVESTMENTS 13, LLC
a Texas limited liability company,
Its General Partner

By: 

Carl L. Meyer, Manager

By: 

Jimmy Nassour, Manager

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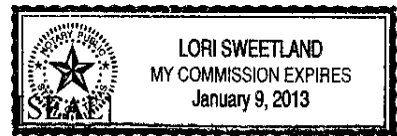
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THE STATE OF TEXAS)
) SS:
COUNTY OF Travis)

Before me, Lori Sweetland, a Notary Public in and for said County and State, on this day personally appeared Carl L. Meyer, known to me to be the Manager of JLM Financial Investments 13, LLC, a Texas limited liability company, the General Partner of JLM Financial Healthcare, LP, a Texas limited partnership, the Sole Member and Manager of CT CRESTWOOD, LLC, a Delaware limited liability company, that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

Lori Sweetland
Notary Public in and for the State of Texas



My commission expires: 1-9-2013

THE STATE OF TEXAS)
) SS:
COUNTY OF Travis)

Before me, Lori Sweetland, a Notary Public in and for said County and State, on this day personally appeared Jimmy Nassour, known to me to be the Manager of JLM Financial Investments 13, LLC, a Texas limited liability company, the General Partner of JLM Financial Healthcare, LP, a Texas limited partnership, the Sole Member and Manager of CT CRESTWOOD, LLC, a Delaware limited liability company, that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

Lori Sweetland
Notary Public in and for the State of Texas



My commission expires: 1-9-2013

