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RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
1/27/2016 3:28:00 PM
FEE \$34.00 Pgs: 11
DEP eCASH REC'D FOR COTTONWOOD TITLE

WHEN RECORDED MAIL TO:
U.S. Department of Housing & Urban Development
Regional Counsel
1670 Broadway, 24th Floor
Denver, CO 80202

CTIA- 80992A - AU

HUD Project No. 105-35210

ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

BY AND BETWEEN

OAKSTONE II, LLC, as Seller

And

OAKSTONE ASSOCIATES, LLC, as Purchaser

Parcel No. 12-066-0058

ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

This ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT (the, "Agreement") is made as of the 27 day of January, 2016, by and between OAKSTONE II, LLC, a Utah limited liability company (the, "Seller"), and OAKSTONE ASSOCIATES, LLC, a Utah limited liability company (the "Purchaser"), seller and purchaser of the property encumbered by the mortgage defined below (herein, the "Mortgaged Property"), located on the land described in Exhibit A hereto, on which is located FHA Project No. 105-35210 (herein, the "Project").

WHEREAS, Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company, formerly known as Oak Grove Commercial Mortgage, LLC (herein, the "Mortgagee"), is the holder of that certain Multifamily Trust Deed, dated March 1, 2012, executed by Oakstone II, LLC, which Mortgage was recorded on March 26, 2012, in Book 5486 at Page 1009 as Entry No. 2651248, in the records of the Recorder of Davis County, Utah (the "Mortgage") and the note secured thereby executed by Oakstone II, LLC payable to Mortgagee in the original principal amount of \$3,103,500.00 (the "Note").

WHEREAS, Oakstone II, LLC, entered into a certain regulatory agreement dated March 1, 2012, recorded March 26, 2012, in Book 5486 at Page 1061 as Entry No. 2651249, in the records of the Recorder of Davis County, Utah, and incorporated into the Mortgage by reference (herein, the "Regulatory Agreement").

WHEREAS, Seller, and Purchaser have entered onto a Real Estate Purchase and Sale Agreement, dated as of October 5, 2015, whereunder the Seller agrees to sell and Purchaser

agrees to purchase the Mortgaged Property, including, without limitation, the Project situated thereon (the "Purchase Agreement"); and

WHEREAS, the Purchaser has submitted to the Secretary an Application for Transfer of Physical Assets (form HUD-92266) and documents in support thereof (hereinafter collectively referred to as the "TPA Application") requesting the Secretary's approval of the proposed conveyance of the Mortgaged Property and Project to the Purchaser as set forth in the aforesaid Purchase Agreement; and

WHEREAS, in connection with the proposed TPA Application, the Purchaser has agreed to assume, on a non-recourse basis, the Note, Mortgage, and Regulatory Agreement obligations in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the consent of the Secretary and of the Mortgagee to the transfer of the Mortgaged Property and the Project to the Purchaser, and in order to comply with the requirements of the Secretary, the National Housing Act and the regulations adopted pursuant thereto, Seller hereby assigns and Purchaser hereby assumes and is bound by (except as limited below) the Mortgage, the Note, and the Regulatory Agreement and further agree as follows:

1. The Purchaser is to be bound by the Mortgage, the Note, and the Regulatory Agreement from the date of this Agreement forward, to the same extent as if it had been an original party to said instruments.

2. Due to the non-recourse nature of the Note, the Purchaser is obligated to make, but does not assume personal liability for failure to make, payments due under the Note and Mortgage, or for the payments to the reserve for replacements fund due under the Regulatory Agreement or for

matters not within their control; provided that the Purchaser shall remain personally liable under the Regulatory Agreement with respect to the matters hereinafter stated, namely:

- (a) for funds or property of the Project coming into its hands which it is not entitled to retain;
- (b) for authorizing the conveyance, assignment, transfer, pledge, encumbrance, or other disposition of the Mortgaged Property or any interest therein in violation of Section 36(a) of the Regulatory Agreement without the prior written approval of HUD; and
- (c) for its own acts and deeds, or acts and deeds of others, which it has authorized in violation of the provisions of the Regulatory Agreement.

3. 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, sex, color, creed, national origin, familial status, or handicap; and (2) the Secretary's regulations 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 of corrective action with respect to (i) any individuals who are officers, directors, principal stockholders, trustees, managers, partners or associates of the Purchaser; and (ii) 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.

4. The Seller shall be, and is hereby, released from all liability for obligations and responsibilities under the Note, the Mortgage, and the Regulatory Agreement assumed by

Purchaser (i.e. those arising on or after the date of this Agreement), but Seller shall not be released from liability for obligations and responsibilities of the Note, the Mortgage, and the Regulatory Agreement not expressly assumed by Purchaser (i.e. those arising prior to the date of this Agreement).

5. Nothing in this Agreement shall in any way impair the Note, the Mortgage, or any other security now held for the indebtedness evidenced by the Note and secured by the Mortgage, or alter, waive, annul, vary or affect any provision, condition or covenant therein, nor affect or impair any rights, powers or remedies under the Note or the Mortgage, except as herein specifically provided, it being the intent of the Seller, Purchaser, Mortgagee and HUD that the terms and provisions of the Note and the Mortgage shall continue in full force and effect except as modified hereby.

6. Nothing in this Agreement shall waive, compromise, impair or prejudice the Regulatory Agreement or any right HUD may have thereunder, including, but not limited to seeking judicial recourse of any breach of the Regulatory Agreement, which breach may have occurred prior to or may occur subsequent to the date of this Agreement, it being the intent of the Seller, Purchaser, Mortgagee, HUD and the Section 50 parties – Daniel C. Lofgren and Mark R. Cornelius, that the terms and provisions of the Regulatory Agreement shall continue in full force and effect except as modified hereby. In the event that HUD initiates an action for breach of said Regulatory Agreement and recovers funds, either on HUD's own behalf or on behalf of the Project or other party, those funds may be applied, at the discretion of HUD, to payment of the delinquent amounts due under the Note or the Mortgage or as a partial prepayment of the Note.

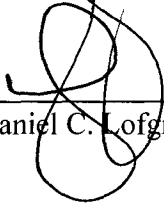
IN WITNESS WHEREOF, the undersigned have hereunto executed this Agreement the day and year first above written.

SELLER:

OAKSTONE II, L.C., a Utah limited liability company

By its Managing Member, Clearfield Affordable Housing II, L.C., a Utah limited liability company

By its Manager, Cowboy Partners, L.C., a Utah limited liability company

By:  _____
Daniel C. Lofgren, President

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 21 day of January, 2016, by Daniel C. Lofgren, the President of Cowboy Partners, L.C., a Utah limited liability company, the Manager of Clearfield Affordable Housing, II, L.C., the Managing Member of OAKSTONE II, L.C., a Utah limited liability company, for and on behalf thereof.





Notary Public

PURCHASER:

OAKSTONE ASSOCIATES, LLC, a Utah limited liability company

By its Manager: Cowboy Partners, L.C., a Utah limited liability company

By: 
Mark R. Cornelius, Vice-President

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

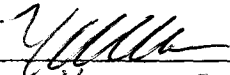
The foregoing instrument was acknowledged before me this 21 day of January, 2016, by Mark R. Cornelius, the Vice-President of Cowboy Partners, L.C., a Utah limited liability company, the Manager of OAKSTONE ASSOCIATES, LLC, a Utah limited liability company, for and on behalf thereof.




Notary Public

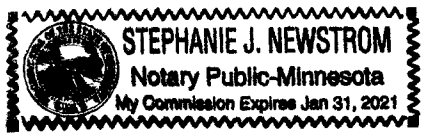
CONSENTING PARTIES:

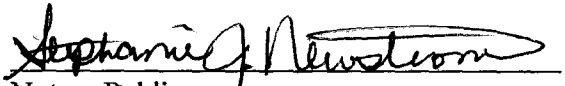
JONES LANG LaSALLE MULTIFAMILY, LLC, a Delaware limited liability company, formerly known as Oak Grove Commercial Mortgage, LLC

By: 
Name: Kevin Sullivan
Title: Executive Vice President

STATE OF Minnesota)
 : ss.
COUNTY OF Ramsey)

The foregoing instrument was acknowledged before me this 22nd day of January, 2015, by Kevin Sullivan, the Executive Vice President of JONES LANG LaSALLE MULTIFAMILY, LLC, a Delaware limited liability company, formerly known as Oak Grove Commercial Mortgage, LLC, for and on behalf thereof.




Notary Public

SECRETARY OF HOUSING AND URBAN
DEVELOPMENT Acting by and through the
FEDERAL HOUSING COMMISSIONER

By: Marcie LaPorte
Name: _____
Authorized Agent
Marcie LaPorte
Director, Denver MultiFamily Hub

STATE OF COLORADO)
): ss,
CITY AND COUNTY OF DENVER)

Before me, Linda Y. Cluck, a Notary Public and for the said State, on
this 22nd day of January 2016, personally appeared, Marcie LaPorte
_____, who is well known to me to be the Director, Denver
Multifamily Hub, and the person who executed the foregoing instrument by virtue of the
authority vested in him/her by Section 7(d) of the Department of Housing and Urban
Development Act, 42 U.A.C.A. §3535(d), as amended, and Section j207(b) of the National
Housing Act, 12 U.S.C.A. § 1713(b), as amended, and I having first made known to him/her the
contents thereof, he/she did acknowledge the signing thereof to be his/her free and voluntary act
and done on behalf of Julian Castro, Secretary of Housing and Urban
Development, for the uses, purposes and considerations herein set forth.

LINDA Y. CLUCK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124065679
MY COMMISSION EXPIRES 10/12/2016

Linda Y. Cluck
NOTARY PUBLIC

SECTION 50 PARTIES:



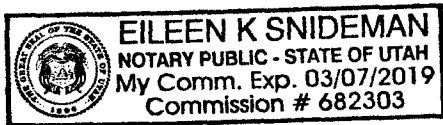
DANIEL C. LOFGREN




MARK R. CORNELIUS

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 21 day of January, 2016, personally appeared before me DANIEL C. LOFGREN and MARK R. CORNELIUS, the signers of the within instrument, who duly acknowledged to me that they executed the same.





NOTARY PUBLIC

EXHIBIT "A"

(Legal Description)

Real Property located in Davis County, State of Utah, more particularly described as follows: to-wit:

A part of the Southeast quarter of Section 12, Township 4 North, Range 2 West, Salt Lake Base and Meridian, U.S. survey. Beginning at a point being 997.11 feet North $00^{\circ}06'05''$ East along the Section line and 33.00 feet West of the Southeast corner of Section 12 (Basis of Bearing: North $00^{\circ}06'05''$ East from the Southeast corner of Section 12 along the Section line to the East quarter corner); thence as follows; North $89^{\circ}44'36''$ West 495.00 feet; thence North $00^{\circ}06'05''$ East for 321.07 feet; thence South $89^{\circ}44'36''$ East 495.00 feet to the West line of 1000 ~~East~~ street; thence South $00^{\circ}06'05''$ West 321.07 feet along said Street to the point of Beginning. ~~East~~