ROUTING SLIP
CONTRACTS AND AGREEMENTS

Originating Department: **Community Development** Council Meeting Date: **12/6/2012**

Department Contact: **Ken Benlon** Phone # **5427**

Contract or Agreement: **Agreement**

Document Name: **Assumption Agreement UDAG - City of Huntsville and Spring Branch Ltd.**

City Obligation Amount: **0.00**

Total Project Budget: **0.00**

Uncommitted Account Balance: **0.00**

Account Number: **NA**

Procurement Agreements

Not Applicable	**Not Applicable**

Grant-Funded Agreements

Not Applicable	**Grant Name:**

Department	Signature	Date
1) Originating		12/3/12
2) Legal		12-5-12
3) Finance		12/5
4) Originating		
5) Copy Distribution		
a. Mayor's office (2 copies)		
b. Clerk-Treasurer (Original & 2 copies)		
c. Legal (1 copy)		

Revised 04/15/2011

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number_____

Meeting Type: Regular

Meeting Date: 12/6/2012

Action Requested By:
Community
Development

Agenda Item Type

Resolution

Subject Matter:

Resolution to enter into an Assumption Agreement between The City of Huntsville and Spring Branch, Ltd.

Exact Wording for the Agenda:

Resolution authorizing the Mayor to enter into an Assumption Agreement between The City of Huntsville and Spring Branch, Ltd. on UDAG loan currently showing NBA Ltd as Mortgagor.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow
and accomplish and; any other information that might be helpful.

The agreement will allow NBA to sell and convey the property secured by said mortgages to Spring Branch, Ltd. and make further modifications and improvements to the property for the benefit of those persons in the community in need of adequate affordable housing

Associated Cost: 0.00

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Select...

Department Head: _____

Date: 12/3/2012

revised 4/13/2011

RESOLUTION NO. 12-____

WHEREAS the City Council of the City of Huntsville, Alabama, does hereby declare in accordance with Code of Alabama (1975) that the Mayor be, and is hereby authorized to enter into an Assumption Agreement by and between the City of Huntsville and Spring Branch Ltd., on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as " Assumption Agreement by and between the City of Huntsville and Spring Branch Ltd., on UDAG loan" consisting of two (2) pages, and the date of December 6, 2012 appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 6th day of December, 2012.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 6th day of December, 2012.

Mayor of the City of
Huntsville, Alabama

ASSUMPTION AGREEMENT

RE: Collateral: Lot 4, Block 1, according to the map of survey of the resurvey of Lot 4, Block 1, Binford Court Subdivision, Huntsville, Alabama, as recorded in Plat Book 26, at Page 20, Probate Records of Madison County, Alabama (the "Property).

City of Huntsville UDAG loan _____

Mortgage (as amended) found in Mortgage Book 1756, at Pages 624-626, in Mortgage Book 1944, at Pages 316-320, in Mortgage Book 2548, at Pages 452-455, and in Document Number20111221000697970, all in the Probate Office of Madison County, Alabama (collectively the "Mortgage").

Current principal balance: $ 807,392.00

MORTGAGOR: NBA, LTD, an Alabama limited partnership

In connection with and as a part of the consideration for the sale to SPRING BRANCH, LTD., an Alabama limited partnership ("Spring Branch") of the above-referenced property by NBA, LTD., an Alabama limited partnership "NBA"), Spring Branch hereby assumes and covenants and agrees unto and with NBA and City of Huntsville, Alabama, a municipal corporation within the State of Alabama ("City") that it will pay, according to its terms, commencing with the payment due on the 15th day of May, 2014, that certain promissory note and all City loan documents evidencing and securing same (as modified, restated and amended) secured by the Mortgage (as described above) pledging to the City the above described Property.

Spring Branch hereby requests transfer on the City's records of the loan secured by said Property to its name and the City's acceptance of payments pursuant to its assumption of said loan and mortgage.

This the _____ day of December, 2012.

SPRING BRANCH, LTD.,
an Alabama limited partnership

By: SPRING BRANCH LLC
an Alabama limited liability company
Its: General Partner

By: Neighborhood Concepts, Inc.
Its: Manager

By: _____
Mary Ellen Judah
Its: Executive Director

NBA confirms the sale of its equity in the Property to Spring Branch in consideration of its assumption of, and agreement to pay, the loan Mortgage as above stated and other good and valuable consideration paid to it, the receipt and sufficiency of which it hereby acknowledges, and it authorizes and requests the City to transfer said loan to Spring Branch on its records.

This the _____ day of December, 2012.

NBA, LTD., an Alabama limited partnership

By: Neighborhood Concepts, Inc.
Its: Operating General Partner

By: _____
Mary Ellen Judah
Its: Executive Director

City of Huntsville, Alabama, a municipal corporation within the State of Alabama, hereby consents to the assumption of the loan and Mortgage and waives enforcement of any due on sale clause contained in the above referenced Mortgage, for the above referenced sale only. Other than the waiver of the due on sale clause contained in the Mortgage, the City does not waive any other rights or remedies related to the loan, the collateral, or any other rights and remedies provided in accordance with the loan documents or by law or in equity.

This the _____ day of December, 2012.

CITY OF HUNTSVILLE, ALABAMA, a municipal corporation within the State of Alabama

ATTEST: _____
Charles E. Hagood
as Clerk-Treasurer of City Huntsville,
a municipal corporation within the
State of Alabama

By: _____
Tommy Battle
Its: Mayor