

**NOTE AND MORTGAGE LOAN ASSUMPTION AND REDUCTION AGREEMENT**

**This Note and Mortgage Loan Assumption and Reduction Agreement (Agreement)** made and entered into as of this 17th day of July, 2014, by and between Santa Fe County (Lender), Amy M. Danielson (Original Borrower) and Kayla M. Rendon-Ortiz and Domingo P. Ortiz (Borrowers).

**WITNESSETH:**

**WHEREAS**, Lender is the holder and owner of the following documents; 1) Affordable Note (Note) dated November 6, 2006, in the principal face amount of Seventy Nine Thousand Three Hundred Twenty Dollars and No/100 (\$79,320) executed and delivered by Amy M. Danielson (Original Borrower) in favor of Lender; 2) Affordable Mortgage (Mortgage) given by Original Borrower to Lender dated November 6, 2006, which Mortgage is recorded as Instrument #1458207 of the records of Santa Fe County and which Mortgage encumbers the real property as described therein; and

**WHEREAS**, the Original Borrower is desirous of conveying the property (Property) encumbered by the Mortgage to Borrowers and the Borrowers are desirous of purchasing the Property and assuming a reduced Note and Mortgage in the amount of Fifty Nine Thousand One Hundred and No/100 Dollars (\$59,100.00); and

**WHEREAS**, the Original Borrower and the Borrowers have executed an Agreement for Purchase and Sale for the Property on May 27, 2014; and

**WHEREAS**, the existing Note contains a provision which enables the Lender to reduce the principal amount of the Note and Mortgage for an assumption by a subsequent buyer who is purchasing the Property at a price lower than the effective purchase price plus the County Affordability Mortgage or Lien paid by the Original Borrower; and

**WHEREAS**, the Lender hereby agrees to a reduction in the principal amount of the Note in an amount necessary for the Original Borrower to neither receive or pay cash at closing of the sale of the Property to the Borrower and for the Borrowers to assume the Note in the amount of Fifty Nine Thousand One Hundred and No/100 Dollars (\$59,100.00); and

**WHEREAS**, the Borrowers desire to receive said Property and formally assume the Note and Mortgage in the principal amount of Fifty Nine Thousand One Hundred and No/100 Dollars (\$59,100.00) which encumbers the real property described therein and perform all of the covenants and conditions contained in the Note and Mortgage as partial consideration for its purchase of the Property and as consideration for the Lender's willingness to consent to the sale of the Property which is encumbered by the Note and Mortgage; and

**WHEREAS**, the Mortgage expressly prohibits the conveyance of the Property without the express written consent of the Lender; and,

**WHEREAS**, the Lender is unwilling to give its consent to the transfer of the Property to the Borrowers unless the Borrowers shall assume all of the obligations heretofore imposed by the Note and Mortgage upon the Original Borrower, with a reduction in the amount of the Note and Mortgage;

**NOW, THEREFORE**, for and in consideration of the sale of the Property subject to a reduced Note and Mortgage, and of the mutual covenants contained herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto agree as follows:

1. **Assumption.** Borrowers expressly assume the Note and Mortgage in the reduced principal amount of Fifty Nine Thousand One Hundred and No/100 Dollars (\$59,100.00) and agree to perform all covenants, conditions, duties and obligations contained therein and agree to pay the Note and the obligations evidenced thereby in a prompt manner in accordance with the terms thereof.
2. **Consent to Conveyance.** Lender hereby consents to the sale of the Property to the Borrowers and to the assumption of the Original Borrower's Note and Mortgage in the reduced principal amount of Fifty Nine Thousand One Hundred and No/100 Dollars (\$59,100.00) by the Borrowers, in accordance with the Agreement for Purchase and Sale executed by Borrowers and Original Borrower on May 27, 2014.
3. **Subordination.** Lender hereby consents to the subordination of this Note and Mortgage to the first mortgage financing of the Borrowers, and further agrees to subordinate this Note and Mortgage to a refinancing performed by the Borrowers, provided that the refinancing complies with the regulations set forth in the Affordable Housing Regulations.
4. **Release of Original Borrower from Note and Mortgage Obligations.** Upon Borrowers' assumption of the reduced Note and Mortgage and Original Borrower's payment to Lender in an amount necessary for the Original Borrower to neither receive nor pay cash at the closing of the sale to Borrower, Lender hereby agrees to release Original Borrower from any and all obligations under the Note and Mortgage.
5. **Warranties and Representations.** Borrowers warrant and represent the following: a) Borrowers have done no acts nor omitted to do any act which might prevent Lender from, or limit Lender in, acting upon or under any of the provisions in the Note or Mortgage; b) Borrowers are not prohibited under any other agreement, judgment or decree from the execution and delivery of this Agreement, the performance of all covenants contained in the Note and Mortgage; c) Borrowers do not face an action that would in any way

interfere with the right of Borrowers to execute this Agreement and perform all of Borrowers' obligations contained in the Note and Mortgage; d) Borrowers have full power and authority to consummate the transactions contemplated under this Agreement.

6. Recordation. The recording of this Agreement with the County Clerk shall evidence the closing of the transaction described herein.
7. Governing Law. This Agreement shall be governed, interpreted and construed by, through and under the laws of the State of New Mexico.
8. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto as well as their successors and assigns, heirs and personal representatives.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as follows:

SANTA FE COUNTY (Lender)

KAYLA RENDON-ORTIZ (Borrower)



By: Katherine Miller, County Manager

\_\_\_\_\_  
By: Kayla Rendon-Ortiz

AMY M. DANIELSON (Original Borrower)

DOMINGO P. ORTIZ (Borrower)



By: Amy M. Danielson

\_\_\_\_\_  
By: Domingo P. Ortiz

Approved as to form:

FINANCE DEPARTMENT APPROVAL

 7/14/14  
Gregory Shaffer, County Attorney

  
Teresa Martinez, County Finance Director

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interfere with the right of Borrowers to execute this Agreement and perform all of Borrowers' obligations contained in the Note and Mortgage; d) Borrowers have full power and authority to consummate the transactions contemplated under this Agreement.


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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as follows:

**SANTA FE COUNTY (Lender)**

  
By: Katherine Miller, County Manager

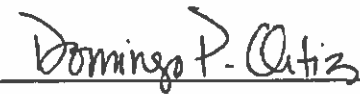
**KAYLA RENDON-ORTIZ (Borrower)**

  
By: Kayla Rendon-Ortiz

**AMY M. DANIELSON (Original Borrower)**

\_\_\_\_\_  
By: Amy M. Danielson

**DOMINGO P. ORTIZ (Borrower)**

  
By: Domingo P. Ortiz

**Approved as to form:**

 7/14/14  
Gregory Shaffer, County Attorney

**FINANCE DEPARTMENT APPROVAL**

  
Teresa Martinez, County Finance Director

### Acknowledgement



Ss:

This instrument was acknowledged before me this 17<sup>th</sup> day of July, 2014,  
by Katherine Miller, County Manager for, and on behalf of Santa Fe County, New Mexico.

Notary Public:

Rosemary H. Bailey

My Commission Expires: July 22nd 2017

### Acknowledgement

State of New Mexico

Ss:

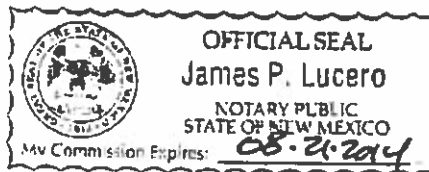
County of Santa Fe

This instrument was acknowledged before me this 6<sup>th</sup> day of August, 2014,  
by Kayla M. Rendon-Ortiz of Santa Fe County, New Mexico.

Notary Public:

[Signature]

My Commission Expires: \_\_\_\_\_



### Acknowledgement

State of New Mexico

SS:

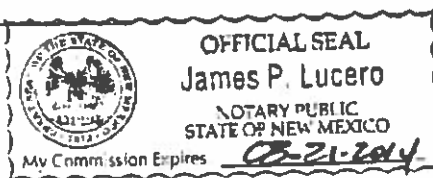
County of Santa Fe

This instrument was acknowledged before me this 6<sup>th</sup> day of August, 2014,  
by Domingo P, Ortiz of Santa Fe County, New Mexico.

Notary Public:



My Commission Expires:



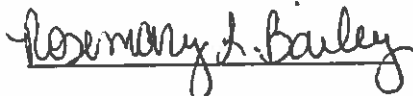
### Acknowledgment



Ss:

This instrument was acknowledged before me this 15<sup>th</sup> day of July, 2014,  
by Teresa Martinez, County Finance Director for, on behalf of Santa Fe County, New Mexico.

Notary Public:



My Commission Expires:

July 22nd 2017

## Acknowledgement

State of New Mexico

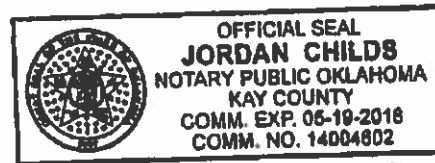
Ss:

County of Santa Fe

This instrument was acknowledged before me this 5<sup>th</sup> day of August, 2014,  
by Amy M. Danielson of May County, Oklahoma.

Notary Public:

Jordan Childs



My Commission Expires: 05-19-2018



COUNTY OF SANTA FE } STATE OF NEW MEXICO } ss	ASSUMPTION AGREEMENT PAGES: 7
I Hereby Certify That This Instrument Was Filed for Record On The 7TH Day Of August, A.D., 2014 at 01:12:43 PM And Was Duly Recorded as Instrument # 1743072 Of The Records Of Santa Fe County	
Deputy - KVAUGHN	Witness My Hand And Seal Of Office Geraldine Salazar County Clerk, Santa Fe, NM

