

**CITY OF EL PASO, TEXAS**  
**AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

CITY CLERK DEPT.  
08 AUG 25 AM 11:32

**DEPARTMENT:** Community and Human Development  
**AGENDA DATE:** September 2, 2008  
**CONTACT PERSON/PHONE:** Bill Lilly, 541-4643  
**DISTRICT(S) AFFECTED:** District 8

**SUBJECT:**

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

That the City Manager be authorized to sign an Assumption Agreement by and among the City of El Paso, Maria de Jesus Perez, Adela Perez, Jesusita Vasquez and Antonia Ruedas concerning liability for the City's rehabilitation loan and lien against the property located at 3929 Tularosa, El Paso, Texas.

**BACKGROUND / DISCUSSION:**

In 1998, Maria de Jesus Perez received financial assistance through the City's Housing Rehabilitation Program for rehabilitation of her property in the form of two loans in the original amounts of \$24,000 and \$33,300 and a secured grant in the original amount of \$7,500. As part of her estate planning, Ms. de Jesus Perez's her legal counsel contacted the Department, requesting consent to conveyance of the property with reservation of a life estate for Ms. de Jesus Perez. As a condition of the City's consent, the new owners agree to assume personal liability for repayment of the outstanding debt while Ms. de Jesus Perez also remains personally liable. Repayment of the loans is current, there are no delinquent taxes owed on the property, and Ms. de Jesus Perez represents that she will continue to reside in the property as her principal residence.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

No.

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

N/A

**BOARD / COMMISSION ACTION:**

**Enter appropriate comments or N/A**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** \_\_\_\_\_  
(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:** \_\_\_\_\_

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**RESOLUTION**

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**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the City Manager be authorized to sign an Assumption Agreement by and among the City of El Paso, Maria de Jesus Perez, Adela Perez, Jesusita Vasquez and Antonia Ruedas concerning liability for the City's rehabilitation loan and lien against the property located at 3929 Tularosa, El Paso, Texas.

**APPROVED** this \_\_\_\_\_ day of **September, 2008.**

**THE CITY OF EL PASO**

\_\_\_\_\_  
John F. Cook  
Mayor

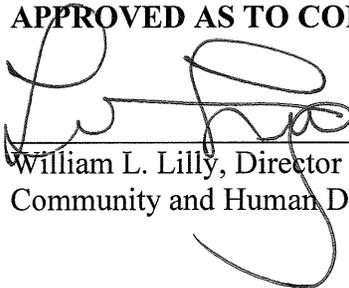
**ATTEST:**

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Marie A. Taylor  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
William L. Lilly, Director  
Community and Human Development

ASSUMPTION AGREEMENT

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This Assumption Agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2008, among Maria de Jesus Perez ("Original Borrower"), the CITY OF EL PASO, a Texas municipal corporation (the "City") and Adela Perez, Jesusita Vasquez, and Antonia Ruedas ("New Owner(s)"), with reference to the following facts:

A. Original Borrower is obligated to the City pursuant to certain loan documents, including the following loan notes payable to the order of the City of El Paso:

(1) Loan Note and Secured Grant Note each dated September 15, 1998, in the principal amounts of \$33,300.00 and \$7,500.00, respectively; said notes secured by a Builder's and Mechanic's Lien Contract and Deed of Trust dated September 15, 1998, filed of record in Volume 3465, Page 1396, Real Property Records of El Paso County, Texas against the property described below; and

(2) Loan Note and Secured Grant Note each dated October 15, 1998, in the principal amounts of \$24,000.00 and \$95.00, respectively; said notes secured by a Builder's and Mechanic's Lien Contract and Deed of Trust dated October 15, 1998, filed of record in Volume 3473, Page 1831, Real Property Records of El Paso County, Texas against the property described below:

*The South 99 feet of Lots 15 and 16, Block 21, GOVERNMENT HILLS ADDITION, an addition to the City of El Paso, El Paso County, Texas according to the Plat thereof recorded in Volume 11, Page 58, Plat Records of El Paso County, Texas; known and numbered as 3929 Tularosa, El Paso, Texas (the "Property").*

B. The Notes, Builder's and Mechanic's Lien Contracts, Deeds of Trust and other loan documents (the "Loan Documents") provide that the Property is not to be conveyed without the prior written consent of the City.

C. Original Borrower desires to convey the Property to the New Owner(s) with the reservation of a life estate interest and the New Owner(s) has agreed to assume all of the Original Borrower's liability and obligations under the Loan Documents to the City, which is secured by the existing City liens on the Property. The City is willing to accept New Owner(s) as an assumptors under the Loan Documents on the terms and conditions set forth in this Agreement, including the requirement that the Original Borrower not be released from any liability under the Loan Documents and remain liable thereon.

**NOW, THEREFORE**, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Obligation Assumed. From and after the date hereof, New Owner(s) hereby assumes and promises to pay and perform all obligations, covenants, terms, conditions and liabilities under and pursuant to the Loan Documents, including, without limitation,

the obligation, if applicable, to make installment payments of principal and interest. The City consents to allow the assumption and transfer of the Property to the New Owner(s) and to accept New Owner(s) as an additional obligor under the Loan Documents. It is understood and agreed by the parties that the consent granted herein does not apply to any future conveyance of the Property, so that the prohibition against conveyance set forth in the Loan Documents remains in full force and effect.

2. Lien Priority. Original Borrower and New Owner(s) acknowledge that the Property remains subject to the liens, conditions and agreements set forth in the Deeds of Trust and other Loan Documents, and that nothing contained herein shall affect those liens or the priority thereof over any other liens. Similarly, no party shall be released from any liability under the Loan Documents as a result of the transfer and consent.

3. Insurance and Taxes. New Owner(s) hereby agrees to provide the City with fire and extended coverage insurance for the Property as required by the Loan Documents and the New Owner(s) acknowledges its obligation to pay the real estate taxes imposed on the Property pursuant to the Loan Documents.

4. Original Borrower Not Released. This Agreement shall not release in any manner Original Borrower from any liability to the City of El Paso or its assigns under the terms and conditions of the Notes and Loan Documents. Original Borrower acknowledges and agrees that its liability, obligations and agreements under the Notes and Loan Documents shall continue unaffected hereby. Original Borrower further agrees that the City may deal with the New Owner(s) as if it was the original maker of the Notes.

5. Miscellaneous.

The provisions of the Loan Documents shall remain in full force and effect and unmodified except as herein stated. The liens created in the Loan Documents remain unchanged and are brought forward and renewed herein. The New Owner(s) agrees to execute such documents as may be requested by the City in order to update and amend the Loan Documents.

b. This Agreement is made pursuant to the laws of the United States and the State of Texas, and shall be construed in accordance therewith, and this Agreement is performable in El Paso County, Texas.

c. This Agreement shall be binding on, and inure to the benefit of, the parties and their respective heirs, personal representatives, successors and assigns.

**THIS AGREEMENT CONTAINS THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ANY PRIOR WRITTEN OR ORAL AGREEMENTS AMONG THEM CONCERNING THE SUBJECT MATTER HEREOF. THERE ARE NOT REPRESENTATIONS, AGREEMENTS, ARRANGEMENTS OR UNDERSTANDINGS, ORAL OR WRITTEN, AMONG THE PARTIES**

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RELATING TO THE SUBJECT MATTER HEREOF THAT ARE NOT MENTIONED HEREIN.

EXECUTED on the day and year first written above.

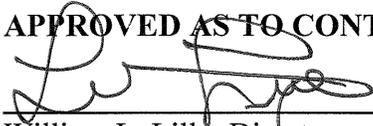
CITY OF EL PASO:

\_\_\_\_\_  
Joyce A. Wilson  
City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Marie A. Taylor  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
William L. Lilly, Director  
Community & Human Development

ORIGINAL BORROWER:

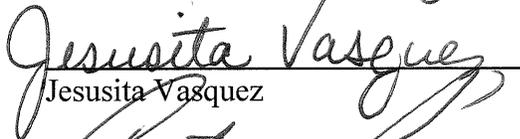
  
\_\_\_\_\_  
Maria de Jesus Perez

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NEW OWNER(S):

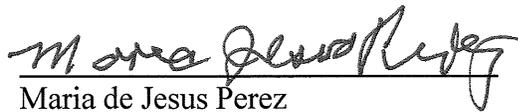
  
\_\_\_\_\_  
Adela Perez

  
\_\_\_\_\_  
Jesusita Vasquez

  
\_\_\_\_\_  
Antonia Ruedas

CONTINUED INDIVIDUAL LIABILITY

MARIA DE JESUS PEREZ, Original Borrower, consents to the foregoing Assumption and acknowledges continued liability on the Notes and the other Loan Documents.

  
\_\_\_\_\_  
Maria de Jesus Perez

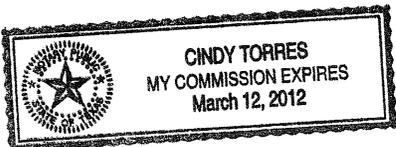
*(Acknowledgments on Following Page)*

(Acknowledgment)

STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on this 19 day of August, 2008, by Maria de Jesus Perez, Original Borrower.

Notary's Commission Expires:



Cindy Torres  
Notary Public, State of Texas

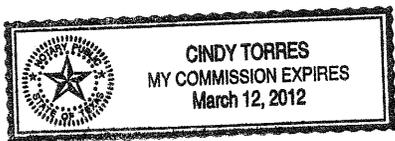
Notary's Printed or Typed Name:  
Cindy Torres

(Acknowledgment)

STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on this 19 day of August, 2008, by Adela Perez, Jesusita Vasquez and Antonia Ruedas, New Owner(s).

Notary's Commission Expires:



Cindy Torres  
Notary Public, State of Texas

Notary's Printed or Typed Name:  
Cindy Torres

(Acknowledgment)

STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by Joyce Wilson, City Manager, on behalf of the City of El Paso, a Texas municipal corporation.

Notary's Commission Expires:

\_\_\_\_\_  
Notary Public, State of Texas

Notary's Printed or Typed Name:  
\_\_\_\_\_

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AFTER RECORDING RETURN TO:

CITY OF EL PASO  
HOUSING PROGRAMS DIVISION  
2 CIVIC CENTER PLAZA, 8<sup>TH</sup> FLOOR  
EL PASO, TEXAS 79901-1196

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