

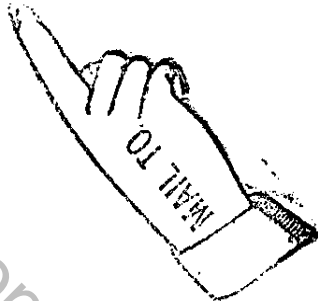
THIS DOCUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

9816/0024 50 001 Page 1 of 11
2001-12-24 12:14:07
Cook County Recorder 41.50



0011224688

SPITZER, ADDIS, SUSMAN & KRULL
100 W. MONROE STREET, #1500
CHICAGO, IL 60603
ATTN: ROBERT J. KRULL



This space reserved for Recorder's use only

MODIFICATION OF LOAN DOCUMENTS

THIS MODIFICATION OF LOAN DOCUMENTS (this "Agreement") is made as of the 21st day of December, 2001, by and among **Division & Crosby, L.L.C.**, an Illinois limited liability company ("**Borrower**"), Daniel E. McLean ("**Guarantor**") and **LaSalle Bank National Association**, a national banking association, its successors and assigns ("**Lender**").

RECITALS:

A. Lender has heretofore made a loan ("Loan") to Borrower in the principal amount of Seventeen Million and No/100ths Dollars (\$10,000,000.00) as evidenced by a Promissory Note dated September 25, 2001, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note").

B. The Note is secured by, among other things, (i) that certain Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated September 25, 2001 from Borrower to Lender recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on October 3, 2001, as Document No. 0010923029 ("Mortgage"), which Mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto ("Property"); that certain Revolving Credit Construction Loan Agreement dated September 25, 2001 from Borrower to Lender ("Loan Agreement"); (iii) that certain Environmental Indemnity Agreement dated September 25, 2001 from Borrower and Guarantor to Lender (the "Indemnity Agreement"); and (iv) certain other loan documents (the Note, the Mortgage, the Loan Agreement, the Indemnity Agreement, the other documents evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Loan Documents").

C. The Loan is further secured by a Guaranty of Payment and Completion dated September 25, 2001 from Guarantor to Lender (the "Guaranty").

UNOFFICIAL COPY

EXHIBIT NO.

COOK COUNTY CLERK'S OFFICE

Property of Cook County Clerk's Office

D. Borrower desires to amend the Loan Documents in order to provide for Letters of Credit and amend the Presale Requirements.

AGREEMENTS:

NOW, THEREFORE, in consideration of (i) the facts set forth hereinabove (which are hereby incorporated into and made a part of this Agreement), (ii) the agreements by Lender to modify the Loan Documents, as provided herein, (iii) the covenants and agreements contained herein, and (iv) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The Loan Agreement is hereby amended by adding the following paragraph 3.5:

3.5 **Letters of Credit.**

(a) **Issuance and Purpose.** Lender agrees to issue one or more letters of credit ("Letters of Credit") in the aggregate stated amount of not more than Three Hundred Thousand Dollars (\$300,000) pursuant to an application and master letter of credit agreement of Lender duly executed and delivered by Borrower to Lender (the "Application"), which Letters of Credit shall be issued for the benefit of the City or such other governmental agency to assure the performance by Borrower of certain public improvements with respect to the Project or non-public on-site or off-site improvements with respect to the Project approved by Lender and the City. The Letters of Credit shall be irrevocable and shall have expiration dates no later than the earlier of (i) twelve (12) months from the date of issuance, and (ii) the Maturity Date, unless they have been cash collateralized as hereafter provided. The face amount of each Letter of Credit shall reduce the amount of the Loan available for disbursement and all draws against a Letter of Credit shall constitute disbursements of proceeds of the Loan, shall bear interest at the Default Rate and shall be secured by the Mortgage and other Loan Documents. Upon the issuance of any Letter of Credit, Borrower shall cause the Title Company to (i) issue a Letter of Credit Endorsement to the Lender's title policy referencing such Letter of Credit, and (ii) amend the pending disbursement endorsement to include the face amount of such Letter of Credit. Borrower shall apply to the City, at appropriate intervals as reasonably requested by Lender for reduction in the amount of a Letter of Credit to reflect the construction, in whole or part, of the improvements for which such Letter of Credit was issued.

(b) **Draws.** The City shall be entitled to draw on the Letters of Credit upon presentation of a site draft to Lender on or before 5:00 p.m. Chicago time during any regular business day if Borrower shall fail to complete the site improvements previously described in accordance with the terms and conditions required by that certain Development Agreement dated April 3, 2001, PD No. 774. Borrower shall reimburse Lender for any amount drawn under the Letters of Credit plus interest thereon at the Default Rate (or at the rate set forth in the Application, whichever is higher) within two (2) Business Days after the date such

draft is paid by Lender and failure to reimburse Lender by such date shall constitute an additional Event of Default hereunder without notice to Borrower of any kind.

(c) **Letter of Credit Fee.** Borrower shall pay to Lender a fee for issuance of the Letters of Credit equal to one percent (1.0%) per annum (computed on the basis of a year of 360-days and the actual number of days of the stated term of the Letters of Credit) of the aggregate stated amount of Letters of Credit issued by Lender. Such fee shall be payable quarterly in advance with the first such payment to be made on the date of issuance of the first Letter of Credit.

(d) **Termination of Letters of Credit.** If the Letters of Credit have not been presented for a draw pursuant to their respective terms, the Letters of Credit shall terminate upon the earlier to occur of the stated expiry date thereof or the date such Letters of Credit are returned to Lender. In no event shall the liens and security interests created by the Loan Documents be released unless or until the Letters of Credit have all been terminated, unless borrower deposits with the Lender cash in the amount equal to the amount of any Letter of Credit outstanding for the benefit of Borrower to be held by the Lender as additional collateral until the later of (i) the Lender has no further obligations under any Letters of Credit, or (ii) the Lender has been repaid in full pursuant to the term of each application for Stand-By Letter of Credit. Such additional collateral shall be held by the Bank in a so-called money market account for the account of the Borrower, but Borrower hereby grants to Lender a security interest in and pledges such account and authorizes Lender to set off such amounts as are necessary to repay Bank under the terms of each of the Applications for Stand-By Letters of Credit. To the extent of the security interest hereby granted, Borrower may not withdraw any of the pledged funds.

2. Paragraph 6.1 (Presale Requirements) is hereby amended in its entirety as follows:

6.1 Presale Requirements. The Project will be divided into two overall phases. Phase I will consist of pods 1-4 (72 flat units) and pod 5 (8 single-family homes). Phase II of the development will consist of pods 6 and 7 (54 flat units). The following breakdown expresses the various pods and their respective presale requirements. No construction may begin and no disbursement will be permitted until Borrower has met one of the scenarios for the following Construction Presale Requirements for the Pods described below.

See attached Exhibit B.

3. **Representations and Warranties of Borrower.** Borrower hereby represents, covenants and warrants to Lender as follows:

(a) The representations and warranties in the Mortgage and the other Loan Documents are true and correct as of the date hereof.

(b) There is currently no Event of Default (as defined in the Mortgage) under the Note, the Mortgage or the other Loan Documents and Borrower does not know of any event or circumstance which with the giving of notice or passing of time, or both, would constitute an Event of Default under the Note, the Mortgage or the other Loan Documents.

(c) The Loan Documents are in full force and effect and, following the execution and delivery of this Agreement, they continue to be the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms, subject to limitations imposed by general principles of equity.

(d) There has been no material adverse change in the financial condition of Borrower, Guarantor or any other party whose financial statement has been delivered to Lender in connection with the Loan from the date of the most recent financial statement received by Lender.

(e) As of the date hereof, Borrower has no claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

(f) Borrower is validly existing under the laws of the State of its formation or organization and has the requisite power and authority to execute and deliver this Agreement and to perform the Loan Documents as modified herein. The execution and delivery of this Agreement and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower. This Agreement has been duly executed and delivered on behalf of Borrower.

4. **Expenses.** As a condition precedent to the agreements contained herein, Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses.

5. **Miscellaneous.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

(b) This Agreement shall not be construed more strictly against Lender than against Borrower or Guarantor merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower, Guarantor and Lender have contributed substantially and materially to the preparation of this Agreement, and Borrower, Guarantor and Lender each acknowledges and waives any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Agreement. Each of the parties to this Agreement represents that it has been advised by its respective counsel of the legal and practical effect of this Agreement, and recognizes that it is executing and delivering this Agreement, intending thereby to be legally bound by the terms and provisions

UNOFFICIAL COPY

Property of Cook County Clerk's Office

thereof, of its own free will, without promises or threats or the exertion of duress upon it. The signatories hereto state that they have read and understand this Agreement, that they intend to be legally bound by it and that they expressly warrant and represent that they are duly authorized and empowered to execute it.

(c) Notwithstanding the execution of this Agreement by Lender, the same shall not be deemed to constitute Lender a venturer or partner of or in any way associated with Borrower or Guarantor nor shall privity of contract be presumed to have been established with any third party.

(d) Borrower, and Lender each acknowledge that there are no other understandings, agreements or representations, either oral or written, express or implied, that are not embodied in the Loan Documents and this Agreement, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of Borrower, Guarantor and Lender; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Agreement. Except as expressly modified hereby, the terms of the Loan Documents are and remain unmodified and in full force and effect.

(e) This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(f) Any references to the "Note," the "Mortgage," the "Loan Agreement" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Note, the Mortgage, the Loan Agreement and the other Loan Documents as amended hereby. The paragraph and section headings used herein are for convenience only and shall not limit the substantive provisions hereof. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

(g) This Agreement may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Agreement.

(h) Time is of the essence of each of Borrower's obligations under this Agreement.

6. This Modification shall only become effective upon due authorization and execution by all parties.

82-4210

UNOFFICIAL COPY

Property of Cook County Clerk's Office

IN WITNESS WHEREOF, the parties hereto have executed this Agreement dated as of the day and year first above written.

LENDER:

LASALLE BANK NATIONAL ASSOCIATION

By: [Signature]
Name: Nathan L. Wever
Title: CEO

BORROWER:

Division & Crosby, L.L.C., an Illinois limited liability company

By: MCL Companies of Chicago, Inc., an Illinois corporation, its Manager

By: [Signature]
Daniel E. McLean, President

GUARANTOR:

[Signature]
Daniel E. McLean

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I **RAE RIVERO**, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that NATHAN L. WEVER, Vice President of LaSalle Bank National Association, is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of DECEMBER, 2001.

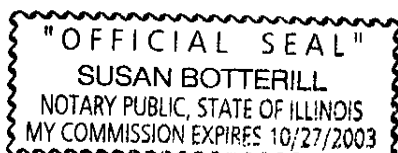


[Signature]
Notary Public
My Commission Expires 6/05/04

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Daniel E. McLean, the President of MCL Companies of Chicago, Inc., the Manager of Old Town Square Residential, L.L.C. and Division Midrise, L.L.C., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited liability companies, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 20 day of DECEMBER, 2001



[Signature]
Notary Public
My Commission Expires: 10-27-03



CHICAGO TITLE INSURANCE COMPANY

ORDER NUMBER: 1401 007941763 D2

STREET ADDRESS: ~~SEE LEGAL LAND~~ BOUNDARIES BY DUNBAR STREET HOWE STREET,
CITY: HOBBS STREET AND NASH
COUNTY: COOK CASSIDY STREET, CHICAGO, IL

TAX NUMBER: 17-04-302-001-0000

LEGAL DESCRIPTION:

PARCEL 1:

LOTS 1 TO 15 INCLUSIVE, AND THE WEST 1/2 OF VACATED CHATHAM COURT LYING EAST OF AND ADJOINING LOTS 12, 13, 14 AND 15 IN SUBDIVISION OF LOTS 1, 3 AND 4 IN BLOCK 90 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN;

PARCEL 2:

LOTS 2, 5, 6, 7 AND 8 AND THE WEST 1/2 OF VACATED CHATHAM COURT LYING EAST OF AND ADJOINING LOTS 2, 5, 6, 7 AND 8 IN BLOCK 90 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN;

PARCEL 3:

LOTS 1 TO 6 INCLUSIVE, AND THE WEST 1/2 OF LOT 7 AND ALL OF LOTS 8 AND 9 AND THE SOUTH 1/2 OF LOT 11 AND THE NORTH 1/2 OF LOT 12 IN BLOCK 87 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

PARCEL 4:

LOT 10 AND THE NORTH 1/2 OF LOT 11 IN BLOCK 87 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

PARCEL 5:

LOT 13 AND THE SOUTH 1/2 OF LOT 12 IN BLOCK 87 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

PARCEL 6:

LOTS 15 AND 16 IN BLOCK 87 IN ELSTON'S ADDITION TO CHICAGO; IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

PARCEL 7:

LOTS 1 TO 6, INCLUSIVE IN THE SUBDIVISION OF LOT 14 IN BLOCK 87 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN COOK COUNTY, ILLINOIS.

CCA: LAND BORDERS BY DIVISION STREET, HOWE STREET,
HOBBS STREET AND N. CROSBY STREET, CHICAGO, IL.

PIN NOS: 17-04-302-001-0000 THROUGH 17-04-302-007-0000
17-04-302-009-0000

17-04-302-012-0000 THROUGH 17-04-302-020-0000

17-04-302-022-0000 THROUGH 17-04-302-028-0000

17-04-309-010-0000 THROUGH 17-04-309-012-0000

Property of Cook County Clerk's Office

EXHIBIT B

PRESALE SCENARIO 1:

<u>Phase I</u>	<u>Product Breakdown</u>	<u>Construction Presale Requirement</u>
Pod 4	- 24 Flats	- 14 units (60%) representing a minimum of \$3.1 million.
Pod 1	- 12 Flats	- Pod 4 must be 75% sold (18 units) and Pod 1 (7 units) must be 60% sold representing a minimum of \$5.4 million.
Pod 2	- 15 Flats	- Pod 4 must be 90% sold (22 units), Pod 1 must be 75% sold (9 units), and Pod 2 must be 60% sold (9 units) representing a minimum of \$8.6 million.
Pod 3*	- 21 Flats	- Pod 4 & 1 must be 90% sold (33 units), Pod 2 must be 75% sold (11 units) and Pod 3 must be 60% sold (13 units) representing a minimum of \$12.3 million.
Pod 5	- 8 Single-family	- 60% (5 units) representing a minimum of \$2.5 million.
<u>Phase II</u>		
Pod 6	- 30 Flats	- Pods 4,1,2 must be 90% sold (46 units), Pod 3 must be 75% sold (16 units), and Pod 6 must be 60% sold (18 units) representing a minimum of \$17.2 million.
Pod 7	- 24 Flats	- Pods 1,2,3,4 must be 90% sold (65 units), Pod 6 must be 75% sold (22 units), and Pod 7 must be 60% sold (14 units) representing a minimum of \$22.0 million.
-	<i>The borrower will also have the option to start Pod 7 before Pod 6 in Phase II. In order to do so the aforementioned presale formulas for Phase II must be satisfied, requiring a minimum of \$16.3 million in proceeds to start Pod 7 and a minimum of \$22.0 million in proceeds to start Pod 6.</i>	

PRESALE SCENARIO 2:

<u>Phase I</u>	<u>Product Breakdown</u>	<u>Construction Presale Requirement</u>
Pod 4	- 24 Flats	- 14 units (60%) representing a minimum of \$3.1 million.
Pod 1	- 12 Flats	- Pod 4 must be 75% sold (18 units) and Pod 1 (7 units) must be 60% sold representing a minimum of \$5.4 million.
Pod 3	- 21 Flats	- Pod 4 must be 90% sold (22 units), Pod 1 must be 75% sold (9 units), and Pod 3 must be 60% sold (13 units) representing a minimum of \$9.5 million.
Pod 2*	- 15 Flats	- Pod 4 & 1 must be 90% sold (33 units), Pod 3 must be 75% sold (16 units) and Pod 2 must be 60% sold (9 units) representing a minimum of \$12.5 million.
Pod 5	- 8 Single-family	- 60% (5 units) representing a minimum of \$2.5 million.
<u>Phase II</u>		
Pod 6	- 30 Flats	- Pods 4,1,3 must be 90% sold (51 units), Pod 2 must be 75% sold (11 units), and Pod 6 must be 60% sold (18 units) representing a minimum of \$17.2 million.
Pod 7	- 24 Flats	- Pods 1,2,3,4 must be 90% sold (65 units), Pod 5 must be 75% sold (22 units), and Pod 7 must be 60% sold (14 units) representing a minimum of \$22.0 million.
-	<i>The borrower will also have the option to start Pod 7 before Pod 6 in Phase II. In order to do so the aforementioned presale formulas for Phase II must be satisfied, requiring a minimum of \$16.3 million in proceeds to start Pod 7 and a minimum of \$22.0 million in proceeds to start Pod 6.</i>	

UNOFFICIAL COPY

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

PRESALE SCENARIO 3:

0011224688 Page 10 of 11

<u>Phase I</u>	<u>Product Breakdown</u>	<u>Construction Presale Requirement</u>
Pod 4	- 24 Flats	- 14 units (60%) representing a minimum of \$3.1 million.
Pod 3	- 21 Flats	- Pod 4 must be 75% sold (18 units) and Pod 3 (13 units) must be 60% sold representing a minimum of \$6.7 million.
Pod 2	- 15 Flats	- Pod 4 must be 90% sold (22 units), Pod 3 must be 75% sold (16 units), and Pod 2 must be 60% sold (9 units) representing a minimum of \$10.1 million.
Pod 1*	- 12 Flats	- Pod 4 & 3 must be 90% sold (41 units), Pod 2 must be 75% sold (11 units) and Pod 1 must be 60% sold (7 units) representing a minimum of \$12.7 million.
Pod 5	- 8 Single-family	- 60% (5 units) representing a minimum of \$2.5 million.
<u>Phase II</u>		
Pod 6	- 30 Flats	- Pods 4,3,2 must be 90% sold (54 units), Pod 1 must be 75% sold (9 units), and Pod 6 must be 60% sold (18 units) representing a minimum of \$17.4 million.
Pod 7	- 24 Flats	- Pods 1,2,3,4 must be 90% sold (65 units), Pod 6 must be 75% sold (22 units), and Pod 7 must be 60% sold (14 units) representing a minimum of \$22.0 million.

- *The borrower will also have the option to start Pod 7 before Pod 6 in Phase II. In order to do so the aforementioned presale formulas for Phase II must be satisfied, requiring a minimum of \$16.6 million in proceeds to start Pod 7 and a minimum of \$22.0 million in proceeds to start Pod 6.*

PRESALE SCENARIO 4:

<u>Phase I</u>	<u>Product Breakdown</u>	<u>Construction Presale Requirement</u>
Pod 4	- 24 Flats	- 14 units (60%) representing a minimum of \$3.1 million.
Pod 3	- 21 Flats	- Pod 4 must be 75% sold (18 units) and Pod 3 (13 units) must be 60% sold representing a minimum of \$6.7 million.
Pod 1	- 12 Flats	- Pod 4 must be 90% sold (22 units), Pod 3 must be 75% sold (16 units), and Pod 1 must be 60% sold (7 units) representing a minimum of \$9.7 million.
Pod 2*	- 15 Flats	- Pod 4 & 3 must be 90% sold (41 units), Pod 1 must be 75% sold (9 units) and Pod 2 must be 60% sold (9 units) representing a minimum of \$12.7 million.
Pod 5	- 8 Single-family	- 60% (5 units) representing a minimum of \$2.5 million.
<u>Phase II</u>		
Pod 6	- 30 Flats	- Pods 4,3,1 must be 90% sold (51 units), Pod 2 must be 75% sold (11 units), and Pod 6 must be 60% sold (18 units) representing a minimum of \$17.2 million.
Pod 7	- 24 Flats	- Pods 1,2,3,4 must be 90% sold (65 units), Pod 6 must be 75% sold (22 units), and Pod 7 must be 60% sold (14 units) representing a minimum of \$22.0 million.

- *The borrower will also have the option to start Pod 7 before Pod 6 in Phase II. In order to do so the aforementioned presale formulas for Phase II must be satisfied, requiring a minimum of \$16.6 million in proceeds to start Pod 7 and a minimum of \$22.0 million in proceeds to start Pod 6.*

UNOFFICIAL COPY

038-551100

Property of Cook County Clerk's Office

PRESALE SCENARIO 5:

<u>Phase I</u>	<u>Product Breakdown</u>	<u>Construction Presale Requirement</u>
Pod 4	- 24 Flats	- 14 units (60%) representing a minimum of \$3.1 million.
Pod 2	- 15 Flats	- Pod 4 must be 75% sold (18 units) and Pod 2 (9 units) must be 60% sold representing a minimum of \$5.8 million.
Pod 3	- 21 Flats	- Pod 4 must be 90% sold (22 units), Pod 2 must be 75% sold (11 units), and Pod 3 must be 60% sold (13 units) representing a minimum of \$9.9 million.
Pod 1*	- 12 Flats	- Pod 4 & 2 must be 90% sold (35 units), Pod 3 must be 75% sold (16 units) and Pod 1 must be 60% sold (7 units) representing a minimum of \$12.5 million.
Pod 5	- 8 Single-family	- 60% (5 units) representing a minimum of \$2.5 million.

Phase II

Pod 6	- 30 Flats	- Pods 4,2,3 must be 90% sold (54 units), Pod 1 must be 75% sold (9 units), and Pod 6 must be 60% sold (18 units) representing a minimum of \$17.4 million.
Pod 7	- 24 Flats	- Pods 1,2,3,4 must be 90% sold (65 units), Pod 6 must be 75% sold (22 units), and Pod 7 must be 60% sold (14 units) representing a minimum of \$22.0 million.

- *The borrower will also have the option to start Pod 7 before Pod 6 in Phase II. In order to do so the aforementioned presale formulas for Phase II must be satisfied, requiring a minimum of \$16.6 million in proceeds to start Pod 7 and a minimum of \$22.0 million in proceeds to start Pod 6.*

PRESALE SCENARIO 6:

<u>Phase I</u>	<u>Product Breakdown</u>	<u>Construction Presale Requirement</u>
Pod 4	- 24 Flats	- 14 units (60%) representing a minimum of \$3.1 million.
Pod 2	- 15 Flats	- Pod 4 must be 75% sold (18 units) and Pod 2 (9 units) must be 60% sold representing a minimum of \$5.8 million.
Pod 1	- 12 Flats	- Pod 4 must be 90% sold (22 units), Pod 2 must be 75% sold (11 units), and Pod 1 must be 60% sold (13 units) representing a minimum of \$8.6 million.
Pod 3*	- 21 Flats	- Pod 4 & 2 must be 90% sold (35 units), Pod 1 must be 75% sold (9 units) and Pod 3 must be 60% sold (13 units) representing a minimum of \$12.3 million.
Pod 5	- 8 Single-family	- 60% (5 units) representing a minimum of \$2.5 million.

Phase II

Pod 6	- 30 Flats	- Pods 4,2,1 must be 90% sold (43 units), Pod 3 must be 75% sold (16 units), and Pod 6 must be 60% sold (18 units) representing a minimum of \$17.2 million.
Pod 7	- 24 Flats	- Pods 1,2,3,4 must be 90% sold (65 units), Pod 6 must be 75% sold (22 units), and Pod 7 must be 60% sold (14 units) representing a minimum of \$22.0 million.

- *The borrower will also have the option to start Pod 7 before Pod 6 in Phase II. In order to do so the aforementioned presale formulas for Phase II must be satisfied, requiring a minimum of \$16.3 million in proceeds to start Pod 7 and a minimum of \$22.0 million in proceeds to start Pod 6.*

In addition, for each Pod with an Asterisk in each Scenario to be funded under the facility the above presale requirements must be satisfied for each respective Scenario, along with the first 2 Pod's that were constructed in that respective Scenario first being 25% closed. Also, in order for Phase II funding to occur the presale requirements must be satisfied for each respective Scenario, along with Asterisk Pod being 25% closed.