

DEED **UNOFFICIAL COPY**

THIS INDENTURE made this 14th day of December, 1999.

WHEREAS, on May 1, 1985, a certain Mortgage was executed by BANK OF RAVENSWOOD, as Trustee under Trust Agreement dated August 2, 1984, and known as Trust No. 25-6548, as Grantor, in favor of BANK ONE OF COLUMBUS, a National Banking Association, as Grantee, and was recorded on May 18, 1985, as Instrument No. 85025423 in the Office of the Recorder of Deeds, Cook County, Illinois; and

WHEREAS, on September 24, 1997, the Mortgage was assigned to the U.S. Secretary of Housing and Urban Development (the "Secretary"); and said assignment recorded September 25, 1997, as Instrument No. 97708962; and

WHEREAS, by virtue of a default in the covenants and conditions of the Mortgage, the Secretary designated me as Foreclosure Commissioner to conduct a nonjudicial foreclosure of the Mortgage under the provisions of the Multifamily Mortgage Foreclosure Act of 1981 (the "ACT") 12 U.S.C. 3071 et seq.; and

WHEREAS, a Notice of Default and Foreclosure Sale was sent by certified mail, return receipt requested (1) on October 1, 1999, to First National Bank, Trustee, successor to said Bank of Ravenswood, the owner of the property secured by the Mortgage as shown by the public record on 9/28/99, (2) on October 1, 1999, to Dennis R. Egidi, Mario R. Egidi, Kenneth A. Egidi, Lloyd S. Levine, Chicago Metropolitan Housing Development Corporation, First National Bank, and Dickens Associates, ILP, the parties shown on the public record as of 9/28/99 to be liable for part or all of the mortgage debt, or who had claimed alien on or an interest in the property secured by the Mortgage; and

WHEREAS, a copy of the Notice of Default and Foreclosure Sale was published in the Chicago Daily Law Bulletin on October 14, October 21, and October 28, 1999; and

WHEREAS, a copy of the Notice of Default and Foreclosure Sale was posted in a prominent place at 3631-41 West Dickens Avenue, Chicago, Illinois, on October 16, 1999; and

WHEREAS, pursuant to the Notice of Default and Foreclosure Sale and to the Act, a foreclosure sale was held on November 4, 1999, at which Husein Becovic submitted the highest bid in the amount of \$752,000.00; and

WHEREAS, the following costs were incurred in conducting the foreclosure sale:

- a. \$592.60 for advertising and postage expenses incurred in mailing and publishing the Notice of Default and Foreclosure Sale;

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- b. \$15.50 for mileage expenses incurred in posting the Notice of Default and Foreclosure Sale, and for the Commissioner's attendance at the foreclosure sale;
- c. \$402.55 for reasonable and necessary costs incurred for title and lien record searches;
- d. \$51.00 for the commissioner's necessary out-of-pocket expenses incurred for recording documents;
- e. \$3,000.00 as commission to the Foreclosure Commissioner.

NOW, THEREFORE, for One Dollar (\$1.00) and other good and valuable consideration, the undersigned hereby grants, bargains, sells, and conveys to HUSEIN BECOVIC and ESE BECOVIC, husband and wife, as joint tenants, the following described property located in Cook County, Illinois:

Parcel 1: The West 12½ feet of Lot 13 and all of Lots 14 and 15 (except the West 6 feet 3 inches of Lot 15) in Block 8 in Jackson's Subdivision of Blocks 7 and 8 in Hambleton's Subdivision of the East ½ of the Northwest ¼ of Section 35, Township 40 North, Range 13, East of the Third Principal meridian, in Cook County, Illinois;

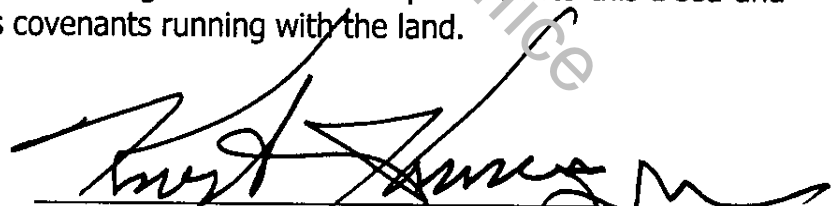
Parcel 2: The West 6 feet 3 inches of Lot 15 and all of Lots 16, 17 and 18 in Block 8 in Jackson's Subdivision of Blocks 7 and 8 in Hambleton's Subdivision of the East ½ of the Northwest ¼ of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Address of Property is 3631-41 West Dickens Avenue, Chicago, Illinois.

PIN: 13-35-126-003; 13-35-126-004 and 13-35-126-005

The grantor hereby conveys to the grantee all right, title and interest in the above property held by the grantor herein, the Secretary, the trustee, the grantor under the Mortgage or any other party claiming by, through, or under them on the date the Mortgage referred to above was recorded and any interest acquired by any of them until the date of the foreclosure sale.

The covenants contained in the attached Use Agreement are incorporated into this Deed and shall be enforceable by the parties thereto as covenants running with the land.



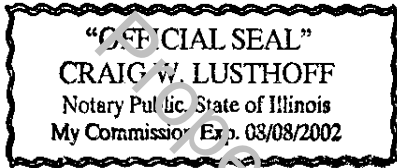
KURT HEERWAGEN, Foreclosure Commissioner

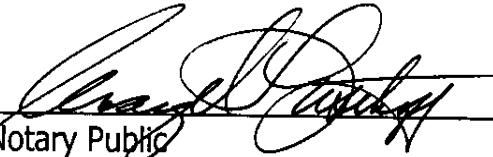
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State of Illinois, County of Cook ss. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that KURT HEERWAGEN, Foreclosure Commissioner, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14th day of December, 1999.




Notary Public

Prepared by: KURT HEERWAGEN, 2914 South Harlem, Riverside, Illinois 60546

EXEMPT UNDER PROVISIONS OF PARAGRAPH 14 SECTION 91-45, REAL ESTATE TRANSFER ACT
12-14-99 DATE

SELLER or REPRESENTATIVE

M. A. H. J. O. :

JEROME FELDMAN
29 E. Madison St. Ste. 503
Chicago, Illinois 60602
312-726-5190

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315-256-2180
Cook County, Illinois
505 E. Madison St. 219 203
JEROME FELDMAN

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CHICAGO TITLE INSURANCE COMPANY

ORDER NUMBER: 1401 IL9912283 LPA
STREET ADDRESS: 3631-41 W. DICKENS
CITY: CHICAGO COUNTY: COOK
TAX NUMBER: 13-35-126-003-0000

LEGAL DESCRIPTION:

PARCEL 1:

THE WEST 6 FEET 3 INCHES OF LOT 15 AND ALL LOTS 16, 17 AND 18 IN BLOCK 8 IN JACKSON'S SUBDIVISION OF BLOCKS 7 AND 8 IN HAMBLETON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE WEST 12 1/2 FEET OF LOT 13 AND ALL OF LOTS 14 AND 15, (EXCEPT THE WEST 6 FEET 3 INCHES OF LOT 15) IN BLOCK 8 IN JACKSON'S SUBDIVISION OF BLOCKS 7 AND 8 IN HAMBLETON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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ATTACHMENT C FORECLOSURE SALE USE AGREEMENT

This Agreement is entered into by Husein Becovic ("Purchaser") and the Secretary of Housing and Urban Development ("Secretary" or "HUD").

WHEREAS, pursuant to the provisions of the Multifamily Mortgage Foreclosure Act, 12 U.S.C. Sections 3701 et seq. (the "Act"), and the Department of Housing and Urban Development's regulations thereunder at 24 C.F.R. Part 27, the Secretary has elected to exercise the nonjudicial power of sale provided under the Act, or pursuant to a judicial foreclosure the Secretary has elected to apply Section 367(b) of the Act, with respect to Dickens Avenue Apartments, HUD Project No. 071-35512, (the "Project" or the "Property") a legal description of which is attached as Exhibit "A"; and

WHEREAS, pursuant to the Act and to provisions of 12 U.S.C. Section 1701z-11 et seq., Management and Preservation of HUD-Owned Multifamily Housing Projects, and the Department of Housing and Urban Development regulations thereunder at 24 CFR Part 290, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the property subject to a mortgage held by the Secretary that is sold at foreclosure to a purchaser other than HUD;

WHEREAS, by Deed executed this 14th day of December, 1999, by Kurt Heerwagen, Foreclosure Commissioner, the Project has been conveyed to the Purchaser; and

NOW THEREFORE, in consideration of the mutual promises set forth herein and in further consideration of the sale of the Project to the Purchaser, the parties agree as follows:

1. TERM OF AGREEMENT

This Agreement shall be in effect,

twenty (20) years from the date of this Agreement
or

until ___/___/___.

2. CONVEYANCE OF PROJECT

During the term of this Agreement, any conveyance of the project must have prior written approval of HUD. HUD's approval of conveyance and/or the proposed purchaser's management of the property will be based on information provided in written statements of how the purchaser, or any subsequent purchaser, in consideration of any and all existing use restrictions, will:

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- (a) Implement sound financial and physical management program;
- (b) Respond to the needs of the tenants and work cooperatively with resident organizations;
- (c) Provide adequate organizational staff and resources to manage the project.

3. SUBJECT TO EXAMINATION

The Project shall at all times, a) be maintained in decent, safe and sanitary condition to the greatest extent possible, b) maintain full occupancy to the greatest extent possible, and c) be maintained as rental housing for the term of this Agreement. At the request of the Secretary, Purchaser must supply evidence by means of occupancy reports, physical condition reports, reports on operations, or any evidence as requested to ensure that the above requirements are being met.

4. UNIT NUMBER OR USE CHANGE

Changes to the use or number of residential units in the Project; e.g., apartment units, beds in a care facility, from the use as of the date of this Agreement, must receive the written prior approval of HUD.

5. NON-DISCRIMINATION REQUIREMENTS

The Purchaser will comply with the provisions of all Federal, State, or local laws prohibiting discrimination in housing.

6. HAZARD INSURANCE

Hazard insurance shall be maintained in an amount to ensure that the Purchaser is able to meet the rental housing requirements described in this Agreement.

7. DESTRUCTION OF PROJECT

In the event that any or all of the Project is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Project shall be applied to rebuild or replace the property destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.

8. DEMOLITION OF PROJECT PROPERTY

The Purchaser will not demolish any part of the Project or withdraw any part of the Project from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.

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9. REMEDIES FOR NONCOMPLIANCE

Upon any violation of any provision of this Agreement by the Purchaser, HUD may give written notice thereof to the Purchaser by registered or certified mail, addressed to the address stated in this Agreement, or such other address as subsequently, upon appropriate written notice thereof to the Secretary, may be designated by the Purchaser as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within 30 days after the date such notice is mailed or within such further time as HUD reasonably determines is necessary to correct the violation, without further notice, HUD may declare a default under this Agreement and may apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, and/or such other relief as may be appropriate, since the injury to the Secretary arising from a default of the terms of the Agreement would be irreparable and the amount of damage would be difficult to ascertain.

The availability of any remedy under the Agreement shall not preclude the exercise of any other remedy under any provision of the law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

10. SUCCESSORS AND ASSIGNS

This Agreement is binding upon the Purchaser's heirs, successors and assigns. The Purchaser agrees that if title to the Project is conveyed during the term of this Agreement, the Purchaser will require its grantee to assume in writing its obligations under this Agreement.

11. RESTRICTIONS

No Member of Congress or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the benefits of the Use Agreement but this provision shall not be construed to extend to this Use Agreement if the Use Agreement is made with a corporation for its general benefit.

12. CONTRADICTORY AGREEMENTS

The Purchaser certifies that it has not, and agrees that it will not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this agreement, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict with this Agreement.

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13. SEPARABILITY

The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.

14. AMENDMENT

This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.

IN WITNESS WHEREOF:

The Purchaser has executed this Use Agreement in triplicate this 14th day of DECEMBER, 19 99.

WITNESS:

[Signature]

PURCHASER:

Husein Becovic

By: Signature

HUSEIN BECOVIC

Typed Name of Purchaser

4510 N. CLARENDON

Street Address

CHICAGO IL 60640

City, State, Zip Code

The U.S. Department of Housing and Urban Development (HUD) has executed this Use Agreement in triplicate this 9th day of November, 19 99.

WITNESS:

FOR: THE SECRETARY OF HOUSING
AND URBAN DEVELOPMENT

BY:

[Signature]

Alvin E. Braggs

Official's Typed Name

Director, Multifamily PD

Title Center, Ft. Worth

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RIDER 1 OF 7 RENTAL PROPERTY

The Bidder must, during the term of the Use Agreement, maintain the project in decent, safe and sanitary condition, implement a sound financial and physical management program, respond to the needs of tenants and work cooperatively with tenant organizations, provide adequate organizational staff and other resources to implement the management program.

Submission of Documents Prior to Closing

a. To demonstrate his/her ability to meet these requirements, the Bidder must submit to the HUD Office contact stated in the Invitation, the following executed documents and information no later than 10 days after the Bidder has been verbally notified, with follow-up written confirmation, that he/she has been selected as high-bidder and may be selected to purchase the Project:

- (1) New Previous Participation Certification (Form HUD-2530) for purchasing entity if different from bidding entity/individual (i.e., partnership, corporation, etc.).
- (2) Statement of the services, maintenance and utilities which the Bidder proposes to provide;
- (3) Written Statements of how the Bidder will:
 - (a) Satisfy the conditions of the disposition;
 - (b) Implement a sound financial and physical management program;
 - (c) Respond to the needs of the tenants and work cooperatively with resident organizations; and
 - (d) Provide adequate organizational staff and financial resources to the project.
- (4) Personal Financial and Credit Statement (HUD-92417) for each principal and general partner.
- (5) If applicable, within a reasonable time prior to closing, the Bidder must also meet at the HUD office listed in the Invitation officials designated by HUD to discuss the Bidder's plans for managing the project. If HUD determines that the Bidder is unqualified to self-manage the Project, HUD may require the Bidder to obtain the services of a qualified property management firm. The Bidder must then provide HUD with evidence that it has retained a qualified property management firm prior to Closing. If the Bidder does not meet this obligation, HUD may reject the bid and retain the Bidder's earnest money deposit.

By initialing hereunder, the Bidder acknowledges that this Rider is incorporated into and is a part of the Terms and Requirements if Foreclosure Sale - Acknowledgment by Bidder

Bidder *HB*

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CHICAGO TITLE INSURANCE COMPANY

STATEMENT BY GRANTOR AND GRANTEE

The grantor or his agent affirms that, to the best of his knowledge, the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire an hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire title to real estate under the laws of the State of Illinois.

Date: 12/14/99

Signature: [Handwritten Signature]
Grantor or Agent

SUBSCRIBED AND SWORN TO BEFORE
ME BY THE SAID
THIS 14 DAY OF DECEMBER
19 99

NOTARY PUBLIC _____

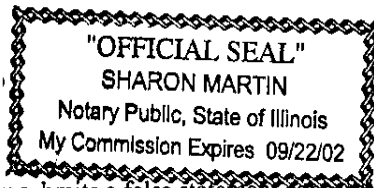
The grantee or his agent affirms and verifies that the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

Date: Dec 14, 1999

Signature: [Handwritten Signature]
Grantee or Agent

SUBSCRIBED AND SWORN TO BEFORE
ME BY THE SAID TOWNS FOLMOR
THIS 14th DAY OF Dec.
19 99

NOTARY PUBLIC [Handwritten Signature]



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Note: Any person who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and a Class A misdemeanor for subsequent offenses.

[Attached to deed or ABI to be recorded in Cook County, Illinois, if exempt under provisions of Section 4 of the Illinois Real Estate Transfer Act.]

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RIDER 4 OF 7 REQUIRED REHABILITATION AND RELOCATION WITHOUT SECTION 8

The Use Agreement includes the following provisions:

Rehabilitation and Relocation Restriction

The Purchaser covenants that it will comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §17012-11(f), and the regulations thereunder, 24 CFR §§290.45 and 290.47, as explained in paragraphs 2 through 5, below. Additionally, the Purchaser covenants it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4301, and the regulations thereunder, 49 CFR Part 24.

The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations.

- (1) The Purchaser covenants that the Property will be rehabilitated within **twenty-four (24)** months from the date of this Use Agreement in accordance with all applicable State and local laws, codes, ordinances and regulations (and Housing Quality Standards pursuant to 24 CFR Part 887, 982, and other requirements set forth in any Property Improvements Requirements sheet, attached hereto.)
- (2) If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
- (3) If temporary relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:
 - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
 - (b) Expenses of returning to a repaired unit on the Property.
- (4) If permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance, as described below, to tenants, as may be appropriate:
 - (a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Property.
 - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household size and the circumstances surrounding the move.

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HUD will not provide the Purchaser with any funds or subsidy with which to make the payments required by this paragraph.

- (5) The Purchaser covenants not to increase the rent for any unit, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in (1), above.
- (6) To ensure completion of required repairs that are to be completed by the Purchaser, the Purchaser has delivered to the Secretary an unconditional, irrevocable and non-documentary Letter of Credit (LOC), in the amount of \$ 77,800, which shall remain in effect and may be drawn on by the Secretary for at least thirty (30) months from the date of this Agreement.

If the repairs are not completed to the satisfaction of HUD within the time period specified in this Section, HUD may, in its sole discretion, cash any LOC and seek remedies provided in the attached Use Agreement, as the Secretary deems appropriate. If HUD cashes the Purchaser's LOC as a remedy for the Purchaser's default under the repair program, HUD may apply the funds so obtained to complete the repairs or for such other Project purposes as the Secretary deems appropriate.

- (7) If repairs/rehabilitation is staged, as agreed upon between the Purchaser and HUD prior to Closing, up to five (5) LOCs may be provided, each in an equal dollar amount, the sum of which totals the amount set forth above. Four of the LOCs will be returned to the purchaser after the work is completed to the Seller's satisfaction. However, a portion of one LOC equal to at least ten percent (10%) of the total repair escrow shall remain in effect for a period of six months after the work has been completed to the Seller's satisfaction. HUD may cash this LOC and apply the funds to correct latent defects in the completed repairs.
- (8) If the Purchaser fails to repair the Project in accordance with this Agreement, the Secretary will not exercise the remedies as described in Section 6., above if any lender holding a lien or security interest on the Project:
 1. Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and
 2. Completes such repairs within 30 days of the notice or within such longer periods HUD may approve in writing.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER HB

SECRETARY OF HOUSING AND URBAN DEVELOPMENT 

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RIDER 3 OF 7

NONDISCRIMINATION AGAINST MULTIFAMILY SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS (Applies to Rental Housing)

The Use Agreement includes the following provisions:

Nondiscrimination

In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Purchaser, for itself, its successors and assigns, agrees not to unreasonably refuse to lease a dwelling unit offered for rent, offer or sell cooperative stock, or otherwise discriminate in the terms of tenancy or cooperative purchase and sale because any tenant or purchaser is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC §1437f), or any successor legislation (hereinafter referred to as Section 8). This provision is limited in its application, for tenants or applicants with Section 8 Certificates or their equivalent (other than Vouchers), to those units which rent for an amount not greater than the Section 8 fair market rent for a comparable unit in the area as determined by HUD.

If the Purchaser breaches this provision, HUD and/or one or more third-party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such provision and to enjoin any acts which are violative of such provision. For the purposes of this provision, a third-party beneficiary shall be any person who holds a Certificate of Family Participation or a Voucher under Section 8 or any equivalent document under successor legislation.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER HA

SECRETARY OF HOUSING AND URBAN DEVELOPMENT



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RIDER 2 OF 7

POST-CLOSING REPAIR REQUIREMENTS

1. Repair Escrow

At Closing, Bidder shall provide to HUD an unconditional, irrevocable and non-documentary Letter of Credit (LOC), satisfactory to HUD, in the amount of \$ 77,870, with an expiration date at least six (6) months beyond HUD's estimated date for completion of repairs, to assure completion of the repairs required by the Invitation for Bid. In the event an extension for completion of repairs is granted, the LOC will be extended accordingly.

Significant repair/rehabilitation programs may be staged upon HUD approval. If repair/rehabilitation is staged, as agreed upon between the Bidder and HUD prior Closing, up to five (5) LOCs, or reductions of one LOC which represented the full LOC requirement with lesser LOCs representing the remaining stages, may be permitted. The first three (3) LOCs must have an expiration date that extends beyond HUD's repair completion date by at least three (3) months. If more than one LOC is provided to HUD, the final LOC must represent at least 10% of HUD's total estimated repair costs and must have an expiration date that extends six (6) months beyond the completion of repair date. The LOC(s) will be returned as the Bidder/Purchaser completes repairs and HUD has inspected and accepted the repairs.

By initialing hereunder, the Bidder acknowledges that this Rider is incorporated into and is a part of the Terms and Requirements if Foreclosure Sale - Acknowledgment by Bidder

Bidder HB

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RIDER 5 OF 7 AFFORDABILITY OF UNITS

The Deed shall contain the following provision:

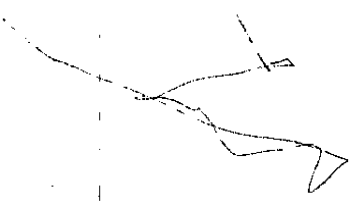
Use Restriction

- (1) The Grantee covenants that the Property will be maintained as affordable housing for a period of twenty (20) years after the date of this Deed or such earlier time as the Grantor may specify in writing (the "Restricted Period").
- (2) During the Restricted Period, the Grantee may not market 34 dwelling units for any purpose other than affordable housing without the Grantor's prior written approval.
- (3) Any change in the use or number of commercial units in the Property, from the use or number indicated as of the date of the Contract of Sale must receive prior written approval of the Grantor.
- (4) For current tenants, affordable means:
 - (a) For a unit occupied by a very-low income family, the unit rent does not exceed 30 percent of 50 percent of the area median income (not the income of the family), as determined by the Department, with adjustments for smaller and larger families; or,
 - (b) For a unit occupied by a low-income family other than a very low-income family, the unit rent does not exceed 30 percent of 80 percent of the area median income (not the income of the family), as determined by the Department, with adjustments for smaller and larger families; or,
 - (c) The unit, or family residing in the unit, is receiving assistance under Section 8 of the United States Housing Act of 1937.
- (5) For new, turnover tenants, affordable means:
 - (a) The unit rent does not exceed 30 percent of 80 percent of the area median income (not the income of the family), as determined by the Department, with adjustments for smaller and larger families; or,
 - (b) The unit, or the family residing in the unit, is receiving assistance under Section 8 of the United States Housing Act of 1937.
- (6) The Grantee covenants that it will not unreasonably refuse to release units to, or otherwise discriminate against, very low-income families.

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- (7) The Grantee shall certify to HUD annually that the requirements in the above paragraphs have been fulfilled.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Contract of Sale.

PURCHASER HB
SECRETARY OF HOUSING AND URBAN DEVELOPMENT



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RIDER 6 OF 7 LEAD-BASED PAINT HAZARDS

The Deed shall include the following provisions:

- (1) In order to comply with 42 USC §§4821-4886 and the regulations thereunder, 24 CFR Part 35, Subpart E and §200.825 (the "Regulations"), Grantee covenants that the Property will be inspected and tested for lead-based paint, and any hazards will be abated in accordance with the Regulations. Grantee shall certify to Grantor (in a form acceptable to Grantor) and Grantor shall determine, through its inspection (or at its discretion, the inspection and certification of a local government official) that all lead based-paint hazards have been removed from the Property in accordance with the Regulations.
- (2) Grantee understands and agrees that Grantor's inspection and finding of satisfactory performance is not intended to and does not constitute a guarantee that all lead based paint and all potential lead-based paint hazards have been eliminated from the Property and does not relieve Grantee of its ongoing responsibility for complying with all applicable State and local lead based-paint laws and regulations.
- (3) Grantee agrees to indemnify, defend, and hold Grantor harmless from any liability arising by reason of Grantee's failure to perform Grantee's obligations under this Deed with respect to the elimination of lead based-paint health hazards, the prohibition against the use of lead based paint, and Grantee's responsibility for complying with applicable State and local lead based-paint laws and regulations.
- (4) If temporary or permanent relocation is necessary because of such abatement, Grantee covenants that it will comply with paragraphs 5 through 8, below. Additionally, the Grantee covenants that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("Act"), as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by the Grantor. The Grantee is responsible for ensuring compliance with the Act and regulations thereunder, notwithstanding any contractual obligations with third parties to comply with the Act and regulations. Grantee covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
- (5) If temporary relocation is necessary because of such abatement, Grantee covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:

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- (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
- (b) Expenses of returning to a repaired unit on the Property.
- (6) If permanent relocation is necessary because of such abatement, Grantee covenants that it will provide assistance, as described below, to tenants, as may be appropriate:
- (a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Property.
- (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by Grantor to be reasonable considering the size of the household size and the circumstances surrounding the move.
- (7) The Grantee covenants not to increase the rent for any units, from the rent Grantor is requiring a tenant to pay on the Closing date, until such unit meets all the abatement requirements set forth in (1), above. (In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.)
- (8) If Grantee fails to comply with (1), above, and no extension by written agreement has been granted by Grantor, Grantor and his successors in office shall be entitled to enter and terminate the estate hereby conveyed. This right and remedy may be exercised separately or in combination with the rights and remedies set forth in the Enforcement provision of this Contract.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Contract of Sale.

PURCHASER HA (Must be initialed at time of submission of Bid.)

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RIDER 7 OF 7 ASBESTOS HAZARDS

The Deed shall include the following provisions:

- (1) Grantee agrees to indemnify defend, and hold Grantor harmless from any liability arising by reason of Grantee's failure to perform Grantee's obligations under this Deed with respect to the elimination of asbestos health hazards, the prohibition against the use of asbestos and Grantee's responsibility for complying with applicable State and local asbestos laws and regulations.
- (2) If temporary or permanent relocation is necessary because of such rehabilitation, Grantee covenants that it will comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(f), and the regulations thereunder, 24 CFR §§290.45 and 290.47, as explained in paragraphs 4 through 6, below. Additionally, the Grantee covenants that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by the Grantor. The Grantee is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Grantee covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
- (3) If temporary relocation is necessary because of such rehabilitation, Grantee covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:
 - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
 - (b) Expenses of returning to a repaired unit on the Property.
- (4) If permanent relocation is necessary because of such rehabilitation, Grantee covenants that it will provide assistance, as described below, to tenants, as may be appropriate:
 - (a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Property.
 - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by Grantor to be reasonable considering the size of the household size and the circumstances surrounding the move.

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(5) The Grantee covenants not to increase the rent for any units, from the rent Grantor is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in (1), above. (In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.)

(6) If Grantee fails to comply with (1), above, and no extension by written agreement has been granted by Grantor, Grantor and his successors in office shall be entitled to enter and terminate the estate hereby conveyed. This right and remedy may be exercised separately or in combination with the rights and remedies set forth in the Enforcement provision of this Contract.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER HB (Must be initialed at time of submission of Bid)

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Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
- _____
- (ii) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- _____
- (ii) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

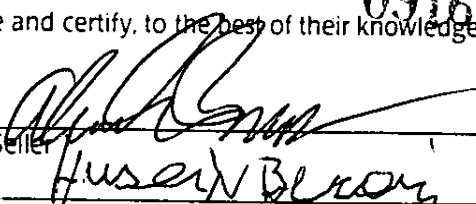
- (c) Purchaser has received copies of all information listed above.
- (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check (i) or (ii) below):
- (i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- (ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller	Date	Seller	Date
			11/9/99
Purchaser	Date	Purchaser	Date
		Husain Beyrouz	12/14/99
Agent	Date	Agent	Date

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FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

LEAD GETS IN THE BODY IN MANY WAYS

1 out of every 11 children in the United States has dangerous levels of lead in the bloodstream.

Even children who appear healthy can have dangerous levels of lead.

People can get lead in their body if they:

- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contain lead.
- Breathe in lead dust (especially during renovations that disturb painted surfaces).

Lead is even more dangerous to children than adults because:

- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.
- Children's growing bodies absorb more lead.
- Children's brains and nervous systems are more sensitive to the damaging effects of lead.

Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- Damage to the brain and nervous system
- Behavior and learning problems (such as hyperactivity)
- Slowed growth
- Hearing problems
- Headaches

Lead is also harmful to adults. Adults can suffer from:

- Difficulties during pregnancy
- Other reproductive problems (in both men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

Lead affects the body in many ways.

CHECKING YOUR FAMILY FOR LEAD

Get your children tested if you think your home has high levels of lead.

A simple blood test can detect high levels of lead. Blood tests are important for:

- Children who are 6 months to 1 year old (6 months if you live in an older home that might have lead in the paint).
- Family members that you think might have high levels of lead.

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If your child is older than 1 year, talk to your doctor about whether your child needs testing.

Your doctor or health center can do blood tests. They are inexpensive and sometimes free. Your doctor will explain what the test results mean. Treatment can range from changes in your diet to medication or a hospital stay.

WHERE LEAD-BASED PAINT IS FOUND

*In general, the older your home, the more likely it has lead-based paint. *

Many homes built before 1978 have lead-based paint. In 1978, the federal government banned lead-based paint from housing. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside and outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint, or other sources such as past use of leaded gas in cars.)

WHERE LEAD IS LIKELY TO BE A HAZARD

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Lead-based paint that is in good condition is usually not a hazard.

Peeling, chipping, chalking, or cracking lead-based paint is a hazard and needs immediate attention.

Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, and banisters.
- Porches and fences.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when people vacuum, sweep, or walk through it.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. Call your state agency (see below) to find out about soil testing for lead.

CHECKING YOUR HOME FOR LEAD HAZARDS

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead hazards in one of two ways, or both:

- A paint inspection tells you the lead content of every painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- A risk assessment tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work. The federal government is writing standards for inspectors and risk assessors. Some states might already have standards in place. Call your state agency for help with locating qualified professionals in your area (see below).

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Trained professionals use a range of methods when checking your home, including:

- Visual inspection of paint condition and location.
- Lab tests of paint samples.
- Surface dust tests.
- A portable x-ray fluorescence machine.

Home test kits for lead are available, but the federal government is still testing their reliability. These tests should not be the only method used before doing renovations or to assure safety.

WHAT YOU CAN DO NOW TO PROTECT YOUR FAMILY

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Clean up paint chips immediately.
- Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead.
REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- Wash children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces.
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and low-fat dairy products. Children with good diets absorb less lead.

HOW TO SIGNIFICANTLY REDUCE LEAD HAZARDS

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.

In addition to day-to-day cleaning and good nutrition:

- You can temporarily reduce lead hazards by taking actions like repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will not eliminate all risks of exposure.
- To permanently remove lead hazards, you must hire a lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not enough.

Always hire a person with special training for correcting lead problems--someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. If possible, hire a certified lead abatement contractor. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Call your state agency (see below) for help with locating qualified contractors in your area and to see if financial assistance is available.

REMODELING OR RENOVATING A HOME WITH LEAD-BASED PAINT

*If not conducted properly, certain types of renovations can release lead from paint and dust into the

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air.*

Take precautions before you begin remodeling or renovations that disturb painted surfaces (such as scraping off paint or tearing out walls):

- Have the area tested for lead-based paint.
- Do not use a dry scraper, belt-sander, propane torch, or heat gun to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- Temporarily move your family (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- Follow other safety measures to reduce lead hazards. You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined above in this brochure.

OTHER SOURCES OF LEAD

While paint, dust, and soil are the most common lead hazards, other lead sources also exist.

- Drinking water. Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
 - Use only cold water for drinking and cooking.
 - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- The job. If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your clothes separately from the rest of your family's.
- Old painted toys and furniture.
- Food and liquids stored in lead crystal or lead-glazed pottery or porcelain.
- Lead smelters or other industries that release lead into the air.
- Hobbies that use lead, such as making pottery or stained glass, or refinishing furniture.
- Folk remedies that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

FOR MORE INFORMATION

The National Lead Information Center

Call 1-800-LEAD-FYI to learn how to protect children from lead poisoning.

For other information on lead hazards, call the center's clearinghouse at 1-800-424-LEAD. For the hearing impaired, call, TDD 1-800-526-5456 (FAX: 202-659-1192, Internet: EHC@CAIS.COM).

EPA's Safe Drinking Water Hotline

Call 1-800-426-4791 for information about lead in drinking water.

Consumer Product Safety Commission Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call 1-800-638-2772. (Internet: info@cpsc.gov). For the hearing impaired, call TDD 1-800-638-8270.

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STATE HEALTH AND ENVIRONMENTAL AGENCIES

Some cities and states have their own rules for lead-based paint activities. Check with your state agency (listed below) to see if state or local laws apply to you. Most state agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards.

- State/Region Phone Number
- Alabama (205) 242-5661
- Alaska (907) 465-5152
- Arkansas (501) 661-2534
- Arizona (602) 542-7307
- California (510) 450-2424
- Colorado (303) 692-3012
- Connecticut (203) 566-5808
- Washington, DC (202) 727-9850
- Delaware (302) 739-4735
- Florida (904) 488-3385
- Georgia (404) 657-6514
- Hawaii (808) 832-5860
- Idaho (208) 332-5544
- Illinois (800) 545-2200
- Indiana (317) 382-6662
- Iowa (800) 972-2026
- Kansas (913) 296-0189
- Kentucky (502) 564-2154
- Louisiana (504) 765-0219
- Massachusetts (800) 532-9571
- Maryland (410) 631-3859
- Maine (207) 287-4311
- Michigan (517) 335-8885
- Minnesota (612) 627-5498
- Mississippi (601) 960-7463
- Missouri (314) 526-4911
- Montana (406) 444-3671
- Nebraska (402) 471-2451
- Nevada (702) 687-6615
- New Hampshire (603) 271-4507
- New Jersey (609) 633-2043
- New Mexico (505) 841-8024
- New York (800) 458-1158
- North Carolina (919) 715-3293
- North Dakota (701) 328-5188
- Ohio (614) 466-1450
- Oklahoma (405) 271-5220
- Oregon (503) 248-5240
- Pennsylvania (717) 782-2884
- Rhode Island (401) 277-3424
- South Carolina (803) 935-7945
- South Dakota (605) 773-3153
- Tennessee (615) 741-5683
- Texas (512) 834-6600
- Utah (801) 536-4000
- Vermont (802) 863-7231
- Virginia (800) 523-4019
- Washington (206) 753-2556

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West Virginia (304) 558-2981
Wisconsin (608) 266-5885
Wyoming (307) 777-7391

EPA REGIONAL OFFICES

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
John F. Kennedy Federal Building
One Congress Street
Boston, MA 02203
(617) 565-3420

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands) Building 5
2890 Woodbridge Avenue
Edison, NJ 08837-3679
(908) 321-6671

Region 3 (Delaware, Washington DC, Maryland, Pennsylvania, Virginia, West Virginia)
841 Chestnut Building
Philadelphia, PA 19107
(215) 597-9800

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
345 Courtland Street, NE
Atlanta, GA 30365
(404) 347-4727

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
77 West Jackson Boulevard
Chicago, IL 60604-3590
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas) First Interstate Bank Tower
1445 Ross Avenue, 12th Floor, Suite 1200 Dallas, TX 75202-2733
(214) 665-7244

Region 7 (Iowa, Kansas, Missouri, Nebraska) 726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
999 18th Street, Suite 500
Denver, CO 80202-2405
(303) 293-1603

Region 9 (Arizona, California, Hawaii, Nevada) 75 Hawthorne Street
San Francisco, CA 94105
(415) 744-1124

Region 10 (Idaho, Oregon, Washington, Alaska) 1200 Sixth Avenue
Seattle, WA 98101

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(206) 553-1200

CPSC REGIONAL OFFICES

Eastern Regional Center
6 World Trade Center
Vesey Street, Room 350
New York, NY 10048
(212) 466-1612

Central Regional Center
230 South Dearborn Street
Room 2944
Chicago, IL 60604-1601
(312) 353-8260

Western Regional Center
600 Harrison Street, Room 245
San Francisco, CA 94107
(415) 744-2966

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Post-Closing Repair Requirements

Department of Housing and Urban Development

Office of Housing Multifamily Sales Program

Project Name Dickens Avenue Apartments	Project Number 071-35512	Location 3631-41 W. Dickens Avenue Chicago Illinois
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The Purchaser must repair the property to meet the following requirements within the time frame noted in the Contract of Sale or Terms and Requirements of Enclosure Sale - Acknowledgement by Bidder:

Applicable State & Local Codes Housing Quality Standards (HQS) as set forth in 24 CFR 886, Subpart C Additional repairs required by HUD

HUD will monitor repairs to assure compliance. Repairs shall be considered completed only after: (1) Purchaser provides written certification that repairs are completed; (2) Purchaser requests final inspection by HUD; and, (3) HUD verifies in writing completion and compliance with the requirements stated herein.

Trade Item Cost Breakdown: HUD's estimate of repairs is broken out by trade item. Detailed descriptions of repairs are stated in this form's exhibits. Unless marked as MANDATORY on this form, repairs may begin upon conveyance. For repair items listed in this form as MANDATORY, the purchaser, prior to beginning work, must submit specifications for approval to the HUD office with jurisdiction over this project.

The repairs listed herein represent HUD's estimate of the property's repair needs. These repairs may not represent all repairs needed to satisfy HUD's requirements and/or requirements other than HUD's. HUD does NOT warrant that the list is either comprehensive or sufficient. The Purchaser accepts responsibility for: (1) developing his/her own repair cost estimate, (2) determining what, if any, repairs are needed in excess of those listed herein, and providing funding for such repairs.

Repairs to Residential Structures (including commercial areas)

Item	Mandatory	Est. Cost	Item	Mandatory	Est. Cost
1. Concrete		\$4,000	17. Wood Flooring		\$0
2. Masonry		\$10,000	18. Resilient Flooring		\$9,325
3. Metals		\$800	19. Painting & Decorating		\$10,180
4. Rough Carpentry		\$24,546	20. Specialties		\$0
5. Finish Carpentry		\$22,200	21. Special Equipment		\$1,520
6. Waterproofing		\$0	22. Cabinets		\$34,255
7. Insulation		\$0	23. Appliances		\$9,350
8. Roofing		\$0	24. Blinds & Shades		\$3,400
9. Sheet Metal		\$0	25. Carpets		\$23,101
10. Doors		\$15,290	26. Special Construction		\$0
11. Windows		\$75,770	27. Elevator		\$0
12. Glass		\$105	28. Plumbing & Hot Water		\$5,325
13. Lath & Plaster		\$0	29. Heat & Ventilation		\$1,700
14. Drywall		\$400	30. Air Conditioning		\$0
15. Tile Work		\$0	31. Electrical		\$25,194
16. Acoustical		\$0	Residential Structures Subtotal		\$276,461

Repairs to Accessory Structures (community, maintenance, mechanical, garages, carports, etc.)

2. Accessory Structures		\$700	Accessory Structures Subtotal		\$700
Site Work					
3. Earth Work		\$0	36. Site Improvements		\$6,000
4. Site Utilities		\$0	37. Lawns & Planting		
5. Roads & Walks		\$0	38. Unusual Site Conditions		
Site Work Subtotal					\$6,000

Environmental Mitigation

Environmental Mitigation		Totals	
3. Lead-Based Paint		\$0	Est. Total Hard Cost
4. Asbestos		\$0	
1.			Contingency = Hard cost x 10%
			Ovrhd/Gen Req = Hard cost x 15%
Environmental Mitigation Subtotal		\$0	Est. Total Repair Cost
			\$311,477

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DICKENS AVENUE APARTMENTS

WORK WRITE-UP
POST-CLOSING REPAIR REQUIREMENTS

WORK WRITE-UP

Section I: HQS, General and Specific Repair Requirements

There were a number of significant (HQS) violations noted during this survey. The most frequent violations were:

- ◆ Damaged or missing GFIs
- ◆ Defective smoke detector which should be replaced
- ◆ Broken windows and window glass
- ◆ Missing fire extinguishers
- ◆ Missing or defective door closures
- ◆ Dry-rotted stairways and landings which have created a safety hazard

Specific instances of (HQS) violations can be found in Section II of this Work Write-up Unit Inspections, which includes individual summaries for the thirty-four units that were inspected.

The following general repair items were found throughout the property and the immediate required repairs are found in the HUD Form 9552 in Section II of this report. They are below summarized:

Concrete. Seventy-five feet of service walks in the courtyard area leading from the front of the property to each of the six entry doors were broken and damaged. Additionally, six concrete entry thresholds were broken and worn. The service walk is approximately four feet in width and replacement of the concrete 75' x 4' is \$4,000.

Masonry. Pressure clean exterior brick front rear and both sides of building. This includes cleaning, scraping, caulking and painting the window lintels and recaulking all exterior of the 336 windows. Cost approximately \$10,000.

Metals. Install 80 linear feet of gutter and 120 linear feet of downspouts. The existing gutters and downspouts are old, rusted and out of alignment. The total replacement cost \$800.

Rough Carpentry. Exterior fire escapes/rear stairway entries to units: These stairways run from the ground level through the third floor. Stairway risers and treads are dry-rotted and broken as well as the stairway landings at the rear of the apartment units. They need to be removed and replaced in their entirety. Cost is \$6,000 each to replace four for a total of \$24,000. This could be considered an HQS violation because of the safety hazard presented. Maintenance Room: Cover the existing hardwood floor with ¾ inch plywood as preparation for resilient floor covering installation plus wall studs for drywall installation. Additional lumber for framing of steps from the foyer level to the maintenance room level. ¾ inch plywood costs \$360. The drywall studs are \$72.00 plus \$10.00 for the additional lumber for framing of steps. Nails, adhesive and railing for the steps is an additional \$104.00. Total cost for rough carpentry is \$24,546.

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DICKENS AVENUE APARTMENTS

WORK WRITE-UP
POST-CLOSING REPAIR REQUIREMENTS

Finish Carpentry. Interior stairways for three floors including landings on all three floors. Replace treads and risers with 2' x 6' lumber and cover with rubberized covering for proper safety traction. Cover all landings with ½ inch plywood for preparation of resilient flooring. This includes railings and spindles. Cost is \$3,700 per building or \$22,200.

Doors. To renovate the laundry room, there is a requirement for two metal entry doors, which includes hardware. The doors are \$300 each or \$600. Twelve hollow core doors including hardware for units inspected at \$150 each or \$1,800. Six metal entry doors to each building, including hardware, jambs and moldings should be installed at \$700 each or \$4,200. Two metal front entry doors to the units and two metal rear entry doors are required, including hardware, doorjambs and moldings at \$300 each or \$1,200. Eleven door closures are needed at \$75.00 each or \$825. Forty-eight doors require insulation of heavy duty weather-stripping which will withstand a heavy metal door force of closure. The price is \$8.85 per door installed or \$425. Twenty-six units require the replacement of closet bi-fold doors because of recurring problems and repairs. Doors cost \$240 per unit or \$6,240. Total cost for doors is \$15,290.

Windows. Of the 336 windows in the building, 47 are inoperable and the remaining 289 windows will need replacement because they have reached the end of their useful life and have already become a maintenance problem. The cost to replace each window is \$190 each or \$63,840. 112 window screens are torn or missing. 224 remaining screens are in weak and worn condition and will require replacement as they have reached the end of their useful life. 336 window screens at \$25 each equals \$8,400. 239 windows require inside caulking at \$10 each or \$2,390. 12 windows had smoked glass due to dried and broken seals which left a mineral residue on the window (thereby the smoking effect). Replacement of the smoked glass windows at \$95.00 each, which are dual pane windows, equals \$1,140. Total window cost is \$75,770.

Glass. Three windows have broken glass, which is an HQS violation, and require immediate replacement. Three window glass replacements at \$35.00 each totals \$105.00 required for broken glass costs.

Drywall. To renovate the maintenance room, drywall is needed. Approximately 16 sheets of drywall at a cost of \$25 dollars per sheet installed total \$400.

Resilient Flooring. 16 of the 34 units inspected required replacement of the resilient flooring. 7 one-bedroom units at \$325 each or \$2,275; 4 two-bedroom units at \$350 each or \$1,400; 5 three-bedroom units at \$350 each or \$1,750. Renovation of the maintenance area will require installation of a resilient flooring at a cost of \$400 installed. Installation of resilient flooring is required for each of the three landings in all six buildings at a cost of \$500 per building or \$3,000. Laundry room requires floor tile at a cost of \$500. Total cost for resilient flooring is \$9,325.

Painting and Decorating. Painting is necessary in 15 of the 34 units. 4 one bedroom units cost \$265 each or \$1,060; 4 two bedroom units at \$300 each or \$1,200; 7 3-bedroom units at \$350 each for a total of \$2,450. The common area foyer walls and ceilings, stairway walls and landings should be painted at \$800 each for each building (6) for a total of \$4,800. All 68 entry doors need painting as well as the 6 new entry doors (after installation) to the buildings at a cost of \$5.00 each or \$370. Painting of the maintenance room (\$100) and the laundry room (\$200) is also required. Total cost for painting and decorating is \$10,180.

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WORK WRITE-UP
POST-CLOSING REPAIR REQUIREMENTS

Special Equipment. Cabinet enclosed fire extinguishers are required to be installed on each floor in each building. There should also be one installed in the laundry room. Fire extinguishers cost \$80 each or \$1,520.

Cabinets. The unit cabinetry is outdated and in immediate need of replacement. The doors are hanging and need to be re-stabilized. The cabinet bottoms are worn. 27 units inspected required that the kitchen cabinets be replaced at a cost of \$1,200 each or \$32,400. 7 of the units required replacement of the outdated and worn bathroom vanities that were found in varying degrees of disrepair. Bathroom vanities which include the lavatory are priced at \$225 each or \$1,575. There were 7 rusted medicine cabinets in need of replacement at a cost of \$40 each or \$280. Total cost for cabinets is \$34,255.

Appliances. Many of the units have old appliances throughout and are in need of replacement. It is recommended that these appliances, which include the electric ranges and refrigerators, be replaced throughout the property. A replacement of 13 frost-free refrigerators at \$425 each or \$5,520. 7 electric ranges at a cost of \$375 each should be replaced for a total cost of \$2,625. Twelve range hood assemblies which includes the light and vent fan should be replaced at \$100 each or \$1,200. Total cost for appliance replacement is \$9,350.

Blinds and Shades. 17 of the shades in the units that were inspected were either missing or torn and require replacement at a cost of \$200 each or \$3,400.

Carpets. In many instances, carpeting was found to be in poor condition and was dirty and worn throughout. In several instances, the carpet was torn and damaged. The carpets were originally installed without padding which has accelerated their effective aging. Proper padding would have reduced the traffic friction and increased the carpets useful life. 17 of the units will require carpeting as follows: 6 one-bedrooms at \$1,116 which includes the padding and installation (\$6,696), 3 two bedrooms at \$1,327 totals \$3,981 and 8 three-bedroom at \$1,553 each totals \$12,424. Total cost for carpeting is \$23,101.

Plumbing & Hot Water. The maintenance area, which is to be renovated, currently has one non-functioning toilet serving as the bathroom. Installation of a new toilet and a lavatory is \$240. 19 of the units inspected will require the replacement of corroded and outdated kitchen faucets at \$75 each or \$1,425. 8 of the units have a need for new lavatories due to damage. Lavatories cost \$100 each or \$800. 11 lavatory faucets are corroded, damaged and in most cases leaking. These should be replaced at \$60 each or \$660. 9 bathtubs should be reglazed at \$200 each or \$1,800. Two bathtub faucets are corroded and outdated and should be replaced at \$75 each or \$250. Additionally, one laundry tub should be installed in the laundry to bring the laundry room back on-line at a cost of \$150. Total cost for plumbing is \$5,325.

Heat & Ventilation. 7 of the units have defective bathroom vent fans that are extremely noisy or inoperable. At a cost of \$50 each, new bathroom vent fans would total \$350. The remaining 27 units bathroom vent fans have only two years of useful life remaining. Those should be replaced as well for \$1,350. Total cost for ventilation is \$1,700.

Electrical. The globes and light bulbs in the common areas are being pilfered by the residents for use in their units. One unit was missing a globe and twelve globes were missing in the common areas. A replacement of these at \$5.00 each would total \$65.00. The replacement of the common area interior light fixtures should be done with a circular fluorescent tube with a clear protective globe. Twenty-eight

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WORK WRITE-UP
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of these are needed at a cost of \$50.00 each or \$1,400. The size of the fixture will discourage any further pilfering because of the fluorescent lighting as well as the fact that the fixture will not fit within the units. Additionally, the current lighting is dim and would be improved with the fluorescent installation. In one unit, a smoke detector was defective and should be replaced at a cost of \$15.00. Eighteen smoke detectors in the common area are battery operated. The buildings would be best served if these were replaced with hardwired smoke detectors with a battery back up. These units cost \$20 each or \$360. The apartment intercom system is old and inoperable. It should be replaced in its entirety and the installation will require new wiring. Due to the structure of the aged building, it may be required to run the wire in conduit. New wiring will cost \$22,836. This will increase the security on the property. Of the units inspected, 9 ground fault interrupters (GFIs) were defective or missing. Replacement cost \$2 each or \$18. To bring the laundry room back on line, it will require three fluorescent fixtures at \$35.00 each or \$105. An additional cost for wiring and installation would equate to \$100. Total cost for electrical is \$25,194.

Accessory Structures. Mailboxes. The mailboxes for these units are damaged and need replacing. Two mailbox structures should be replaced at \$300 each and \$100 installation or a total of \$700.

Site Improvements. Included in Section 6 of this report is a computerized layout of the recommended improvements to the property's courtyard. According to the maintenance engineer at the site, the courtyard is barren because of its northern exposure and limited sun. Consequently, the grass will not grow. There is also a lot of traffic in this area from the children who reside at the property. It was suggested as a remedy that a brick inset is installed in lieu of grass and plantings of bushes and small trees would add to the design. Estimated cost to complete this project is \$6,000.

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ESTIMATED REMAINING USEFUL LIFE SCHEDULE

Dickens Avenue Apartments

Number of Units: 34

ITEM*	EFFECTIVE AGE OF ITEM	ESTIMATED ECONOMIC LIFE	PERCENT DEPLETED	REPLACEMENT COST OF ITEM	NUMBER OF ITEMS	TOTALS
Ranges	15	15	100.00%	\$375	7	\$2,625
Rangehoods	20	20	100.00%	\$100	12	\$1,200
Refrigerators	15	15	100.00%	\$425	13	\$5,525
Kitchen Sinks	14	20	70.00%	\$125	0	\$0
Kitchen/Vanity Cabinets*	20	20	100.00%	7 Bath @ \$225 = \$1,575 27 Kitchen @ \$1,200 = \$32,400	See breakdown in previous column	\$33,975
Resilient Flooring/(Unit)	17	17	100.00%	7-1brm @ \$325 ea. 4-2bdrm @ \$350 ea. 5-3 bdrm @ \$350 ea.	See breakdown in previous column	\$5,425
Carpet with padding/(Unit)	8	8	100.00%	6-1brm @ \$1116 ea. 3-2bdrm @ \$1327 ea. 8-3 bdrm @ \$1553 ea.	See breakdown in previous column	\$23,101
Bathtubs (reglaze only)	25	25	100.00%	\$200	\$9	\$1,800
Toilets	18	25	72.00%	\$150	0	\$0
Lavatories	25	25	100.00%	\$125	8	\$1,000
Bath Exhaust Fans	18	20	90.00%	\$50	34	\$1,700
Electric Baseboards	12	15	80.00%	\$100	204	\$20,400
Water Heaters	3	15	20.00%	\$400	0	\$0
Smoke Detectors	25	25	100.00%	\$20	18	\$360
Composition Roofing/(Bldg)**	2	20	10.00%	\$0	0	\$0
Gutters & Downspouts (LF)	15	15	100.00%	\$5	200	\$1,000
Window Shades	7	8	87.50%	\$2	336	\$672
Window Screens	14	15	93.33%	\$25	336	\$8,400
Windows	7	15	46.67%	\$190	336	\$63,840
INITIAL DEPOSIT						\$171,023

*Estimates include cost of sink and faucets for kitchen vanities.

**Roofs replaced in 1997. Damage due to storm covered by insurance.

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