

# UNOFFICIAL COPY



Doc#: 1225122032 Fee: \$98.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 09/07/2012 08:37 AM Pg: 1 of 31

88 00537-1 all 2 LMD

Property Address: 8322 S. Houston Avenue  
Chicago, IL 60617

PIN: 21-31-404-018-0000

**Prepared by:**

Dana K. O'Banion  
Mercy Portfolio Services  
120 South LaSalle Street, Ste 1850  
Chicago, Illinois 60603

**After recording return to:**

Sweta Shah, Esq.  
City of Chicago Department of Law  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

**ASSIGNMENT, ASSUMPTION AND AMENDMENT OF DOCUMENTS**

**THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF DOCUMENTS** (this "Assignment") is made as of August 23, 2012 by and between Mercy Portfolio Services, a Colorado non-profit corporation ("MPS"), MPS Community I, LLC, an Illinois limited liability company (the "Assignor"), GCD Bronzeville Renovations, LLC, an Illinois limited liability company (the "Assignee"), and the City of Chicago, an Illinois municipal corporation and home rule unit of government (the "City") (collectively, the "Parties").

It is expressly anticipated by the Parties hereto that the Assignor will convey the Property (as hereinafter defined) and assign the indebtedness evidenced by the Note (as

Box 334



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hereinafter defined) to the Assignee, and that thereafter the Assignee will be bound by all the obligations of the Assignor under the documents described in this Assignment.

## RECITALS

**WHEREAS**, the City has or will receive certain funds in the approximate amount of \$55,238,017 and \$98,008,384, and \$15,996,360 (collectively, the "**Program Funds**") from the United States Department of Housing and Urban Development ("**HUD**") pursuant to the provisions of the Housing and Economic Recovery Act of 2008, Public Law 110-289 – July 30, 2008, Title III – Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes, Section 2301 *et seq.* ("**HERA**"), as amended by the American Recovery and Reinvestment Act of 2009, H.R.1 (the "**Recovery Act**"), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, H.R. 4173 (the "**Dodd-Frank Act**"), as the same may be hereafter amended, restated or supplemented from time to time ((HERA, the Recovery Act and the Dodd-Frank Act are collectively referred to as the "**Act**"); the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Developers under the Housing and Economic Recovery Act, 2008 issued by HUD and found at the Federal Register/Vol. 73, No. 194/Monday, October 6, 2008/Notices, as the same may be hereafter amended, restated or supplemented from time to time; the Notice of Fund Availability for the Neighborhood Stabilization Program<sup>2</sup> under the Recovery Act (Docket No. FR-5321-N-01, May 4, 2009) the Notice of Fund Availability for Fiscal year 2009 NSP2 Program under the Recovery Act, Correction (Docket No. FR-5321-C-02, June 11, 2009; Docket No. FR-5321-C-03, November 9, 2009, Docket No. FR-5321-C-04, and Docket No. FR-5321-N-04); the Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants (Docket No. FR-5447-N-01, October 19, 2010 (the "**NOFA**"); and the HUD regulations at 24 CFR Part 570 (as modified by the NOFA as now in effect and as may be amended from time to time) (collectively, the "**Regulations**"); and

**WHEREAS**, the City has submitted to HUD, and HUD has approved, the City's NSP1 Substantial Amendment application to HUD, NSP2 application to HUD and NSP3 Substantial Amendment to HUD governing the City's use of the Program Funds in a City neighborhood stabilization program (the "**Program**") in accordance with the Act and the Regulations to address the critical impact of increasing numbers of foreclosed properties within the City of Chicago. Pursuant to such approval, the City and HUD have entered into that certain Grant Agreement dated effective as of March 27, 2009, that certain Funding Approval and Grant Agreement signed on February 11, 2010, and that certain Funding Approval and Grant Agreement dated effective as of March 17, 2011 (collectively, the "**Grant Agreement**"). The Act, the Regulations, and the Grant Agreement are collectively referred to herein as the "**NSP Legal Requirements**," and

**WHEREAS**, the City and MPS, have entered into that certain Agreement Between The City of Chicago and Mercy Portfolio Services For Neighborhood Stabilization Program dated as of June 30, 2009, that certain Agreement Between The City of Chicago and Mercy Portfolio Services For Neighborhood Stabilization Program 2

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dated as of July 1, 2010, and that certain Agreement Between The City of Chicago and Mercy Portfolio Services For Neighborhood Stabilization Program 3 dated as of September 1, 2011 (collectively, the "**Subgrant Agreement**"), pursuant to which the City has agreed to make the Program Funds available to MPS for Eligible Activities subject to the terms and conditions of such Subgrant Agreement; and

**WHEREAS**, Assignor is the Developer under that certain Redevelopment Agreement by and among Assignor, MPS and the City, dated as of December 10, 2010, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on December 16, 2010 as Document No. 1036029103 as the same may be amended, supplemented and restated from time to time (the "Original Redevelopment Agreement"); and

**WHEREAS**, MPS and the City now desire to release the Original Redevelopment Agreement; and

**WHEREAS**, Assignor, MPS and the City have entered into that certain replacement Redevelopment Agreement, dated as of August 23, 2012, as the same may be amended, supplemented and restated from time to time (hereinafter the "Redevelopment Agreement"); and

**WHEREAS**, pursuant to the Redevelopment Agreement, MPS agreed to provide Program Funds in the form of a loan in the principal amount of \$745,749 (the "Loan") to the Assignor to be used in connection with the acquisition, rehabilitation and/or construction of the Property legally described on Exhibit A attached hereto, which is improved with the improvements described thereon (the "Property"); and

**WHEREAS**, to evidence the Loan the Assignor executed and delivered a promissory note in the principal amount of the Loan, dated as of August 23, 2012 and made payable to MPS. Such note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof, shall be called the "Note;" and

**WHEREAS**, to secure its obligations under the Note and the Redevelopment Agreement, Assignor granted to MPS that certain Mortgage, Security Agreement and Financing Statement, dated as of August 23, 2012, as the same may be amended, supplemented and restated from time to time (the "Mortgage"); and

**WHEREAS**, as additional security for its obligations under the Note and the Redevelopment Agreement, the Assignor executed and delivered to MPS that certain Assignment of Rents and Leases, dated as of August 23, 2012, as the same may be amended, supplemented and restated from time to time (the "Assignment of Rents"); and

**WHEREAS**, pursuant to that certain Assignment of Mortgage and Documents (the "Assignment of Mortgage"), dated as of August 23, 2012, MPS assigned to the City all of the right, title and interest of MPS in and to the Note, together with all indebtedness evidenced thereunder, and further granted, transferred and assigned to the City all of the

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right, title and interest of MPS in and to the Redevelopment Agreement, the Mortgage, and the Assignment of Rents; and

**WHEREAS**, the City is the present, sole legal and equitable owner and holder of the Note; and

**WHEREAS**, the Assignor, MPS and the City have entered into that certain Regulatory Agreement in connection with the operation of the Property, dated as of August 23, 2012 as the same may be amended, supplemented and restated from time to time (the "Regulatory Agreement"); and **WHEREAS**, the Regulatory Agreement was recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on 08/28/2012 as Document No. 224122023; the Redevelopment Agreement was recorded in the Recorder's Office on 08/28/2012 as Document No. 224122024; the Mortgage was recorded in the Recorder's Office on 08/28/2012 as Document No. 224122025; the Assignment of Rents was recorded in the Recorder's Office on 08/28/2012 as Document No. 224122026; and the Assignment of Mortgage was recorded in the Recorder's Office on 08/28/2012 as Document No. 224122027; and

**WHEREAS**, pursuant to the Redevelopment Agreement, the Assignor has acquired the Property; and

**WHEREAS**, the Redevelopment Agreement contemplates that upon acquisition of the Property by the Assignor, the Assignor and the City shall identify a Participating Entity (as defined therein) which shall rehabilitate the Property and, upon such identification, the Assignor shall convey the Property to such Participating Entity, which shall thereafter complete the rehabilitation work specified in the Redevelopment Agreement and in the Exhibits attached thereto; and

**WHEREAS**, the Redevelopment Agreement further contemplates that concurrently with the conveyance of the Property to such Participating Entity, the Assignor shall assign the indebtedness evidenced by the Note to such Participating Entity, and thereafter such Participating Entity shall be bound by all of Assignor's obligations thereunder; and

**WHEREAS**, Assignor and the City have identified Assignee as such Participating Entity; and

**WHEREAS**, Assignor now desires to assign to Assignee, and Assignee desires to assume from Assignor, all of Assignor's rights and obligations under the Redevelopment Agreement, the Regulatory Agreement, the Note, the Mortgage, and the Assignment of Rents, subject to the terms and conditions of this Assignment; and

**WHEREAS**, the Parties now desire to execute this Assignment to effect such assignment and assumption and to release the Original Redevelopment Agreement and replace it with the Redevelopment Agreement, as set forth herein.

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**NOW THEREFORE**, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. The Assignor hereby grants, transfers and assigns to the Assignee all of the obligations under and rights, title, and interest of the Assignor in and to the Note, together with all sums of money due and payable thereunder, and hereby further grants, transfers and assigns to the Assignee all of the obligations under and rights, title, and interest of the Assignor in and to the Redevelopment Agreement, the Regulatory Agreement, the Mortgage and the Assignment of Rents (collectively the Note, the Redevelopment Agreement, Regulatory Agreement, the Mortgage, and the Assignment of Rents are hereinafter referred to as the "Documents").
2. Concurrently with the execution and recording of this Assignment, the Original Redevelopment Agreement, dated as of December 10, 2012, and recorded in the Recorder's Office on December 16, 2010 as Document No. 1035029103 is hereby released of record and replaced with the Redevelopment Agreement.
3. In conjunction with the assignment of the Redevelopment Agreement, the Assignor hereby assigns to the Assignee all of the Assignor's right, title and interest in the Assignor's title to the Property which the Assignor is conveying to the Assignee by its special warranty deed concurrently with the execution and recording of this Assignment.
4. Assignee hereby accepts such assignment and agrees to fully assume all of the obligations of the Assignor under the Documents.
5. The Assignor hereby covenants and represents that (i) the Assignor has full right and title to assign all of the Documents to the Assignee; and (ii) no other assignment of any interest therein has been made.
6. Recital M of the Redevelopment Agreement is hereby amended by deleting the reference to "a to-be-identified lender" and replacing it with "PNC Bank, NA."
7. Subsection 6B(iii) of the Redevelopment Agreement is hereby deleted, and all references to "Permitted Developer's Fee" contained elsewhere in the Redevelopment Agreement are hereby deleted and shall be deemed inapplicable.
8. Section 6F of the Redevelopment Agreement is hereby deleted in its entirety and all references to "Performance Deposit" contained elsewhere in the Redevelopment Agreement are hereby deleted and shall be deemed inapplicable.
9. Section 8 of the Redevelopment Agreement is hereby amended by deleting the first sentence in its entirety and replacing it with the following: "The Developer shall commence the Required Work for the NSP Property promptly upon acquiring title to such property and shall thereafter diligently proceed to complete such Required Work

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and lease all units in the building within twelve (12) months of such acquisition date (this requirement shall not apply to MPS LLC with respect to the NSP Property that is to be conveyed to a Participating Entity for rehabilitation or construction).”

10. Section 23 of the Redevelopment Agreement is hereby amended by removing each reference to “MPS LLC.” Section 23 of the Redevelopment Agreement is hereby further amended by adding the following: “If to the Developer: GCD Bronzeville Renovations, LLC, 796 W. Bartlett Road, Bartlett, IL 60103; Attention: Mark Ainley, with a copy to Albert Whitehead, P.C.: 10 N. Dearborn, Suite 600, Chicago, IL 60602; Attention: Stephanie Green.”

11. Exhibit A to the Redevelopment Agreement is hereby deleted in its entirety and new Exhibit A, attached hereto and made a part hereof, is substituted in its place.

12. Exhibit C to the Redevelopment Agreement is hereby deleted in its entirety and new Exhibit C, attached hereto as Exhibit B to this Assignment and made a part hereof, is substituted in its place.

13. Exhibit D to the Redevelopment Agreement is hereby deleted in its entirety and new Exhibit D, attached hereto as Exhibit C to this Assignment and made a part hereof, is substituted in its place.

14. Exhibit B to the Regulatory Agreement is hereby deleted in its entirety and new Exhibit B, attached hereto as Exhibit D to this Assignment and made a part hereof, is substituted in its place.

15. Exhibit C to the Regulatory Agreement is hereby deleted in its entirety and new Exhibit C, attached hereto as Exhibit E to this Assignment and made a part hereof, is substituted in its place.

16. Exhibit E to the Regulatory Agreement is hereby amended as follows: Each reference to “MPS Community I, LLC” is deleted and replaced with “GCD Bronzeville Renovations, LLC”

17. Exhibit F to the Regulatory Agreement is hereby amended by inserting the following: “Electricity, Cooking Gas, and Heat.”

18. Section 10 of the Mortgage is hereby amended by deleting Subsection (vi) and replacing it with the words “[intentionally omitted]”.

19. The Mortgage is hereby amended by adding the following language:

**“(39) Subordination.** This Mortgage shall be subject to and subordinate to that certain Senior Construction Loan and to that certain Senior Permanent Loan, as defined in the Redevelopment Agreement, as amended. This Mortgage shall also be subordinate

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to any subsequent mortgage that refinances the Senior Permanent Loan, so long as such refinancing is in an original principal amount less than or equal to the original principal amount of the Senior Permanent Loan, unless the Mortgagee, in its sole discretion, agrees to senior refinancing in a greater amount.”

20. Exhibit B to the Mortgage is hereby deleted in its entirety and new Exhibit B, attached hereto as Exhibit F to this Assignment and made a part hereof, is substituted in its place.

21. The Note is hereby amended by deleting the repayment terms stated in the first paragraph and replacing them with the following:

“Upon the making of the Senior Permanent Loan (as defined in the hereinafter defined Loan Agreement) in the amount of \$17,045, or such lesser amount as reflects the actual amount of the Senior Permanent Loan, the outstanding principal balance of the Note shall be reduced by such amount. The remaining principal balance of \$728,704 shall be forgiven on a pro rata basis, annually, over a period of 15 years from the date hereof (the “Maturity Date”), subject to compliance by the Maker with all the terms and conditions of the Loan Documents, provided, however, that the term Maturity Date shall also mean such earlier date as or which the principal of the Loan may become due and payable because of acceleration or prepayment as provided in any of the Loan Documents.”

22. The Parties hereto expressly acknowledge that the Loan and the Loan Documents are subordinate to that certain Senior Construction Loan, as defined on Exhibit A of this Assignment, and to that certain Senior Permanent Loan, as defined on Exhibit A of this Assignment, each made by PNC Bank, NA, a principal subsidiary of the PNC Financial Services Group, Inc. (“PNC”) to the Assignee in connection with the Project.

23. The parties hereto acknowledge and agree that this Assignment does not constitute a novation of the existing indebtedness under the Loan, but is intended to be an amendment and modification of the Documents. Except as amended hereby, the provisions of the Documents remain in full force and effect and are hereby ratified and confirmed. The Mortgage shall continue to secure repayment of all amounts due under the Note as modified by this Assignment without loss of priority.

24. The City or MPS hereby agrees to use its best efforts to copy PNC on the notice that it gives the Assignee regarding the City’s consent to the start of construction pursuant to Section 10 (xix) of the Mortgage.

25. This Assignment applies to and binds the Parties and their respective heirs, administrators, executors, successors and assigns, as well as any subsequent owner of the Property.

26. This Assignment shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois.

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27. If any provision of this Assignment, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Assignment shall be construed as if such invalid part were never included herein, and this Assignment shall be and remain valid and enforceable to the fullest extent permitted by law.

28. All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Redevelopment Agreement.

29. This document may be executed in counterparts, which, when taken together shall constitute one original document.

(SIGNATURE PAGE FOLLOWS)

Property of Cook County Clerk's Office



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**IN WITNESS WHEREOF**, the undersigned have executed this Assignment and Assumption and Amendment of Documents as of the day and year first above stated.

**Mercy Portfolio Services**, a Colorado non-profit corporation

By: Darlene A. Dugo

Name: Darlene A. Dugo

Title: Vice President

**MPS Community I, LLC**, an Illinois limited liability company

By: Mercy Portfolio Services, a Colorado non-profit corporation and its sole member

By: Darlene A. Dugo

Name: Darlene A. Dugo

Title: Vice President

**GCD Bronzeville Renovations, LLC**, an Illinois limited liability company

By: Mark Ainley

Name: Mark Ainley

Title: Managing Member

**CITY OF CHICAGO**, an Illinois municipal corporation, acting by and through its Department of Housing and Economic Development

By: \_\_\_\_\_

Name: Andrew J. Mooney

Title: Commissioner

Property of Cook County Clerk's Office

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**IN WITNESS WHEREOF**, the undersigned have executed this Assignment and Assumption and Amendment of Documents as of the day and year first above stated.

**Mercy Portfolio Services**, a Colorado non-profit corporation

By: \_\_\_\_\_  
Name: Darlene A. Dugo  
Title: Vice President

**MPS Community I, LLC**, an Illinois limited liability company


By: Mercy Portfolio Services, a Colorado non-profit corporation and its sole member

By: \_\_\_\_\_  
Name: Darlene A. Dugo  
Title: Vice President

**GCD Bronzeville Renovations, LLC**, an Illinois limited liability company

By: \_\_\_\_\_  
Name: Mark Ainley  
Title: Managing Member

**CITY OF CHICAGO**, an Illinois municipal corporation, acting by and through its Department of Housing and Economic Development

By:  \_\_\_\_\_  
Name: Andrew J. Mooney  
Title: Commissioner

Property of COOK COUNTY CLERK'S Office

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STATE OF ILLINOIS )

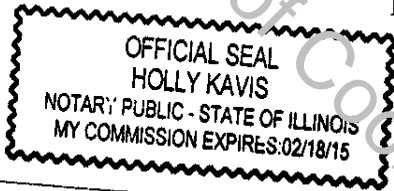
) SS.

COUNTY OF COOK )

I, Holly Kavis, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Darlene A. Dugo, personally known to me to be the Vice President of Mercy Portfolio Services, a Colorado non-profit corporation, and 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, being first duly sworn by me, acknowledged that she signed and delivered the foregoing instrument pursuant to authority given by said company, as her free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 22<sup>nd</sup> day of August, 2012.

  
NOTARY PUBLIC



Property of Cook County Clerk's Office

# UNOFFICIAL COPY

STATE OF ILLINOIS )

) SS.

COUNTY OF COOK )

I, Holly Kavis, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Darlene A. Dugo, personally known to me to be the Vice President of Mercy Portfolio Services, a Colorado non-profit corporation and the sole member of MPS Community I, LLC, an Illinois limited liability company and 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, being first duly sworn by me, acknowledged that she signed and delivered the foregoing instrument pursuant to authority given by said company, as her free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 22<sup>nd</sup> day of August, 2012.

  
\_\_\_\_\_  
NOTARY PUBLIC



# UNOFFICIAL COPY

STATE OF ILLINOIS )

) SS.

COUNTY OF COOK )

I, *Cheryl Ann Nutley*, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Mark Ainley, personally known to me to be the Managing Member of GCD Bronzeville Renovations, LLC, an Illinois limited liability company, and 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, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by said company, as his free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this *23<sup>rd</sup>* day of August, 2012.

*Cheryl Ann Nutley*  
NOTARY PUBLIC



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STATE OF ILLINOIS )

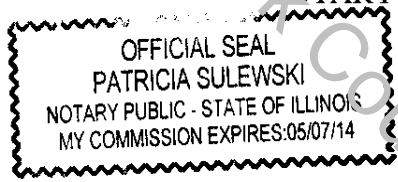
) SS.

COUNTY OF COOK )

I, Patricia Sulewski, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, an Illinois municipal corporation and home rule unit of government, and 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, being first duly sworn by me, acknowledged that, as the Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as his free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 22<sup>nd</sup> day of August, 2012.

Patricia Sulewski  
NOTARY PUBLIC



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## EXHIBIT A

### NSP PROPERTY INFORMATION

**Legal Description of Land:**

LOT 14 AND THE NORTH ½ OF LOT 15 IN BLOCK 4 IN CIRCUIT COURT PARTITION OF THE SOUTHEAST ¼ OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 4, 1885, IN BLOCKS 19 OR PLATS, PAGE 70, IN COOK COUNTY, ILLINOIS

**Common Address:**

8322 S. Houston Avenue, Chicago, IL 60637

**PIN:** 21 31 404 018 0000

**Existing Improvements on the Land:** 4-UNIT RESIDENTIAL BUILDING

**NSP Acquisition Price:** \$35,500

**NSP Acquisition Loan Amount for acquisition and holding costs:** \$51,239

**NSP Redevelopment Cost:** \$694,510

**NSP Loan Amount:** \$745,749

**Permitted Developer's Fee:** \$0

**NSP Total Development Cost:** \$745,749

**Developer Equity:** \$0

**Senior Construction Loan:** \$694,510

**Senior Permanent Loan:** \$17,045

**Senior Lender:** PNC Bank, NA ("PNC")

**Senior Loan Documents:** collectively (i) that certain Rehabilitation and Term Loan Agreement made by the Assignee in favor of PNC as of the date hereof, (ii) that certain Assignment of Leases and Rents, Security Agreement and Fixture Filing made by the Assignee in favor of PNC as of the date hereof, (iii) that certain Promissory Note made by the Assignee in favor of PNC as of the date hereof, (iv) those certain documents which will evidence the Senior Permanent Loan upon completion of the Project.

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**Junior Loan:** None.

**Junior Lender:** None.

**Junior Loan Documents:** None.

**Repayment Terms:**

Upon the making of the Senior Permanent Loan in the amount of \$17,045, or such lesser amount as reflects the actual amount of the Senior Permanent Loan, the outstanding principal balance of the Note shall be reduced by such amount. The remaining principal balance of \$728,704 shall be forgiven on a pro rata basis, annually, over a period of 15 years from the date hereof (the "Maturity Date"), subject to compliance by the Developer with all the terms and conditions of the Loan Documents; provided, however, that the term Maturity Date shall also mean such earlier date as of which the principal of the Loan may become due and payable because of acceleration or prepayment as provided in any of the Loan Documents.

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## EXHIBIT B

(New Exhibit C to Redevelopment Agreement)

### APPROVED BUDGET

[SEE ATTACHMENTS]

(final term sheet and final owner's sworn statement)

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## MPS-NSP Term Sheet Multi-Family

Approval by City of Chicago,  
Dept. of Housing & Economic Development  
*Matthew E Ludwig*

Approval by Developer,  
Bronzeville  
*[Signature]*

8322 S Houston, 8637 S Saginaw  
Houston: 4U Residential + NO Comm., Saginaw: 4U Residential + NO Comm.  
Bronzeville

1	Rehab	8322 S Houston	8637 S Saginaw
	Conf.	53,930	18,420
	Conf.	32,450	15,710
	Conf.	86,380	35,140
	Conf.	1,386,610	692,100

Work to be performed (Rehab or new Construction)

"NSP Acquisition Price"  
Plus: holding costs  
= "NSP Acquisition Loan Amount" (NSP Acquisition Price plus holding costs)  
= "NSP Redevelopment Cost" (Lender rehab loan amount, incl. ZERO dev. fee). Conf. = Per 5/812 PNC Preliminary Memorandum of Terms and Conditions

Rehab Lender  
Rehab Loan Term (Months)  
Amortization Period (Years)  
Rehab Loan Interest Rate (Prime + 0 bp, ARM)

12  
Int. Only  
3.250%

Permitted Developer Fee = ZERO.

"NSP Loan Amount" (this is the same as "NSP Total Development Cost")  
"NSP Total Development Cost" (Sum of "NSP Acquisition Loan Amount" and "NSP Redevelopment Cost")  
Less: Lender permanent loan amount

4	Conf.	-	-
5	Conf.	745,749	727,240
6	Conf.	745,749	727,240
	Conf.	17,045	17,307

Permanent Lender

Permanent Loan Term (Years)  
Amortization Period (Years)  
Perm Loan Int Rate (LIBOR + 300 bp, A, M)

3  
3  
3.250%

Less: Developer Equity  
= Amount to remain outstanding and forgiven over term

Conf.	-	-
Conf.	728,704	709,933

Income Qual. AND Rent Restrict. at 50% AMI, AND otherwise restricted per Reg Agr  
Income Qualified at 120% AMI, AND otherwise restricted per Regulatory Agreement

8	4	4
8	4	4

Perform Dep.  
Real Estate Tax  
Insurance  
Utilities  
Prop Mgmt  
Total

12m	7m	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA

8327 S. Houston. Rent and Utility Confirmation to be completed by Developer.									
Unit SE Range	Unit Avail. SE	# Units	50% AMI	120% AMI	D. Est. Rents	Utilities	Landlord Ed.	Tenant Ed.	
700-900	800	2	NA	NA	\$1,941	\$800-900			x
1,100-1,100	1,100	2	NA	NA	\$2,405	\$4,100-1,200			x

8637 S. Saginaw. Rent and Utility Confirmation to be completed by Developer.									
Unit SE Range	Unit Avail. SE	# Units	50% AMI	120% AMI	D. Est. Rents	Utilities	Landlord Ed.	Tenant Ed.	
700-900	800	4	NA	NA	\$1,941	\$800-900			x

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NSP1 Budget and Profile Updated by MPS 3/4/11

### SWORN OWNER'S STATEMENT TO TITLE COMPANY

STATE OF: Illinois ) SS

COUNTY OF: Cook

GREEN - DEVELOPER TO INPUT NAME, ADDRESS  
YELLOW - INITIAL CLOSING DISBURSEMENT

Escrow # \_\_\_\_\_  
Draw # \_\_\_\_\_ Initial Closing  
Date \_\_\_\_\_  
Property Developer 8322 S Houston  
GCD Bronzeville  
Renovations LLC

The affiant, GCD Bronzeville Renovations, LLC being first duly sworn, on oath deposes and says that he is the "owner/beneficiary" of \_\_\_\_\_ held by \_\_\_\_\_ which is the owner \* of the following described premises in Cook County, 8322 S Houston, Chicago, IL to wit:

1. That he/she is thoroughly familiar with all the facts and circumstances concerning the premises described above;
2. That with respect to improvements on the premises the only work done or materials furnished to date are as listed below;
3. That the only contracts let for the furnishing of future work or materials relative to the contemplated improvements are as listed below;
4. That this statement is a true and complete statement of all such contracts, previous payments and balances due, if any.

Contractors Name & Address	Work Performed	Amount of Contract	Changes (+/-)	Adjusted Contracts	Amount Paid Previous	Amount Due This Request	Amount to Become Due (Incl. Retainage)
GCD Bronzeville Renovations LLC	Hard Construction Cost	318,809	-	318,809	-	-	318,809
GCD Bronzeville Renovations LLC	General Conditions of Hard	19,117	-	19,117	-	-	19,117
GCD Bronzeville Renovations LLC	Overhead	6,372	-	6,372	-	-	6,372
GCD Bronzeville Renovations LLC	Profit	19,117	-	19,117	-	-	19,117
	<b>Subtotal Hard Costs</b>	<b>363,214</b>	<b>-</b>	<b>363,214</b>	<b>-</b>	<b>-</b>	<b>363,214</b>
GCD Bronzeville Renovations LLC	Hard Cost Construction Contingency	31,861	-	31,861	-	-	31,861
	<b>TOTAL HARD COSTS</b>	<b>395,075</b>	<b>-</b>	<b>395,075</b>	<b>-</b>	<b>-</b>	<b>395,075</b>
TBD	Architectural Services (Developer - NSP Program)	18,181	-	18,181	-	7,279	10,881
PNC Bank	Financing Fee - \$1,000 Commitment Fee	1,000	-	1,000	-	1,000	-
PNC Bank	Construction Loan Administration & Processing Fee	4,000	-	4,000	-	4,000	-
PNC Bank	Construction Period Interest	27,780	-	27,780	-	-	27,780
PNC Bank	Inspection Fee (Initial + Draws, estimated min. 5 @ \$500)	2,500	-	2,500	-	1,020	1,480
TBD	Developer Legal Fee - NSP Program Allowance	10,000	-	10,000	-	10,000	-
PNC Bank	PNC Legal Fee	2,500	1,100	3,600	-	3,600	-
Mercy Portfolio Services	Mercy Legal Fee	-	-	-	-	-	-
TBD	Builders Liability Insurance (during construction)	3,200	1,101	4,301	-	4,301	-
TBD	Property Insurance (After construction)	2,200	-	2,200	-	-	2,200
TBD	Property Security	4,800	-	4,800	-	-	4,800
TBD	Utilities - NSP Program Allowance	3,800	-	3,800	-	-	3,800
TBD	Lead Paint Clearance	600	50	700	-	700	-
TBD	Appraisal	3,000	-	3,000	-	750	2,450
Mercy Portfolio Services	Mercy Signage	350	-	350	-	-	350
GCD Bronzeville Renovations LLC	Wage Contingency	40,000	-	40,000	-	-	40,000
GCD Bronzeville Renovations LLC	Soft Cost Contingency	1,000	-	1,000	-	-	1,000
Cook County	Real Estate Taxes (110%)	4,813	-	4,813	-	-	4,813
	<b>TOTAL SOFT COSTS</b>	<b>129,554</b>	<b>-</b>	<b>129,554</b>	<b>-</b>	<b>-</b>	<b>129,554</b>
	<b>SUBTOTAL DEVELOPMENT COSTS</b>	<b>524,629</b>	<b>-</b>	<b>524,629</b>	<b>-</b>	<b>-</b>	<b>524,629</b>
PNC Bank	Perm Loan Reserve	62,955	(2,251)	60,704	-	-	60,705
Mercy Portfolio Services	MPS Developer Sale and loan closing costs	8,000	-	8,000	-	5,113	2,887
Mercy Portfolio Services	MPS Project Reserve	52,463	-	52,463	-	-	52,463
GCD Bronzeville Renovations LLC	Lease - Up Reserve Deposit (\$1,500 per unit)	6,000	-	6,000	-	-	6,000
	<b>TOTAL DEVELOPMENT COSTS</b>	<b>654,048</b>	<b>-</b>	<b>654,048</b>	<b>-</b>	<b>-</b>	<b>654,048</b>
PNC Bank	PNC Perm Loan Fee	5,000	-	5,000	-	-	5,000
PNC Bank	MPS Perm Loan Reserve	17,045	-	17,045	-	17,045	-
PNC Bank	Tax and Insurance Escrow Deposit	6,813	-	6,813	-	-	6,813
PNC Bank	Replacement Reserve Deposit (\$400 per unit)	1,600	-	1,600	-	-	1,600
PNC Bank	Operating Reserve Deposit (\$2,500 per unit)	10,000	-	10,000	-	-	10,000
	<b>TOTAL CLOSING COSTS</b>	<b>40,457</b>	<b>-</b>	<b>40,457</b>	<b>-</b>	<b>-</b>	<b>40,457</b>
	<b>TOTAL CLOSING &amp; DEVELOPMENT COSTS</b>	<b>694,505</b>	<b>-</b>	<b>694,505</b>	<b>-</b>	<b>-</b>	<b>694,505</b>
	<b>FINAL PNC LOAN AMOUNT (Rounded up)*</b>	<b>694,510</b>	<b>-</b>	<b>694,510</b>	<b>-</b>	<b>-</b>	<b>694,510</b>
<b>TOTAL</b>		<b>694,505</b>	<b>-</b>	<b>694,505</b>	<b>-</b>	<b>64,607</b>	<b>69,007</b>

THE UNDERSIGNED HEREBY APPROVES THE ABOVE AMOUNTS FOR PAYMENT.

Signed: \_\_\_\_\_  
DEVELOPER

Subscribed and sworn to before me this 23rd day of Aug 2012

Signed: \_\_\_\_\_



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## EXHIBIT C

(New Exhibit D to Redevelopment Agreement)

### CONSTRUCTION SCHEDULE

[SEE ATTACHMENT]

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

## SCHEDULE FOR COMPLETION - 8322 SOUTH HOUSTON

	15-Sep	30-Sep	15-Oct	31-Oct	15-Nov	30-Nov	15-Dec	31-Dec	15-Jan	31-Jan	15-Feb	28-Feb	15-Mar	31-Mar	15-Apr	30-Apr	15-May	31-May	15-Jun	30-Jun	15-Jul	
<b>WORK</b>																						
Demo																						
Install Elec service																						
Roof, Parapets																						
Rear Porch Repair																						
Install Windows																						
Tuckpointing, Lentils																						
Exterior & Interior Rough																						
Rough Electrical																						
Rough Plumbing																						
HVAC Installation																						
Insulation																						
Drywall																						
Prime Drywall																						
Ceramic Tile																						
Interior Trim & Doors																						
Install Bath & Kitchen																						
Paint Drywall																						
Repair Front Hallways																						
Final Plumbing																						
Final Elec																						
Carpet / Laminate																						
Repair Concrete/Steps/ Balcony																						
Appliance Installation																						
Fencing/Landscaping/Garage																						

Property of Cook County Clerk's Office

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## EXHIBIT D

### (NEW EXHIBIT B TO REGULATORY AGREEMENT)

#### I. ADDITIONAL DEFINITIONS

"Davis-Bacon Act" shall mean 40 U.S.C. 276a et seq., as the same may be restated, modified or amended from time to time.

"Housing Act Section 3" shall mean Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. Section 1701u.

"HUD Restrictions Termination Date" shall mean the fifteenth anniversary of the Completion Date.

"Illinois Prevailing Wage Act" shall mean 820 ILCS 130 et seq., as the same may be restated, modified or amended from time to time.

"Low-Income Project" shall mean the 4 units in the Project financed with NSP Funds and required to be occupied by Very Low-Income Families.

"NSP Funds" shall mean a loan from Mercy to the Borrower in the principal amount of \$745,749 for financing a portion of the costs of the acquisition and rehabilitation of the Project.

"Project" shall mean the one building located at 8322 S. Houston Avenue, Chicago, Illinois, and which shall contain, as of the completion of the acquisition and rehabilitation thereof, 7 multi-family residential dwelling units.

"Section 3 Regulations" shall mean 24 C.F.R. Part 135, and such additional regulations, orders, rulings, interpretations and directives in connection with Housing Act Section 3 as may be promulgated or issued by HUD from time to time.

"Senior Lender" shall mean: PNC Bank, NA ("PNC").

"Senior Loan" shall mean: Collectively, that certain senior construction loan and senior permanent loan from PNC to the Participating Entity.

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## II. ADDITIONAL REPRESENTATIONS AND COVENANTS OF BORROWER.

1. 100 percent of the units in the Low-Income Project shall be occupied by Very-Low Income Families. N/A

100 percent of the units in the Project shall be occupied by Eligible-Income Families.

2. (a) The Project shall consist of the following unit configuration:

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Initial Rents</u>
2/unit	2	\$800-900
4/unit	2	\$1,100-1,200

(b) The Low-Income Project shall consist initially of the following unit configuration for Very Low-Income Families: N/A

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Initial Rents</u>
---------------------------	------------------------	----------------------

(c) The Project shall consist of the following square footage:

<u>Unit Size</u>	<u>Square Footage Range</u>	<u>Average Square Footage</u>
2 Bdrm Unit	700-900	800
4 Bdrm Unit	1,100	1,100

(d) The Low-Income Project shall consist of the following square footage: N/A

<u>Unit Size</u>	<u>Square Footage Range</u>	<u>Average Square Footage</u>
------------------	-----------------------------	-------------------------------

3. Wage Rates. The Project shall comply with the Illinois Prevailing Wage Act and the Davis-Bacon Act, as applicable. Mercy shall provide the applicable wage determination to the Borrower prior to commencement of the Required Work.

4. The Project shall be acquired and rehabilitated in accordance with the Construction Schedule, and an Approved Budget, as required in the Redevelopment Agreement, and any change orders to be hereafter approved by Mercy and the City.

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5. For purposes of Section 12, the Borrower's address shall be:

GCD Bronzeville Renovations, LLC  
796 W. Bartlett Road  
Bartlett, IL 60103  
Attention: Mark Ainley

6. (a) The work to be performed in connection with the Project is subject to the requirements of Housing Act Section 3. The purpose of Housing Act Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Housing Act Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income individuals, particularly individuals who are recipients of HUD assistance for housing.

(b) The Borrower hereby agrees to comply with the Section 3 Regulations in connection with the Project. As evidenced by its execution of this Regulatory Agreement, the Borrower hereby certifies that it is under no contractual or other impediment that would prevent the Borrower from complying with the Section 3 Regulations in connection with the Project.

(c) The Borrower hereby agrees to (1) send to each labor organization or representative of workers with which the Borrower has a collective bargaining agreement or other understanding, if any, and which concerns workers whose positions are subject to compliance with the Section 3 Regulations in connection with the Project, a notice advising the labor organization or workers' representative of the Borrower's commitments under this Section, and (2) post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Housing Act Section 3 preference and shall set forth: (i) the minimum number of jobs and job titles subject to hire, the availability of apprenticeship and training positions, and the qualifications for each; (ii) the name and location of the Person(s) taking applications for each of the positions; and (iii) the anticipated date the work shall begin.

(d) The Borrower hereby agrees to (1) include the language contained in this Section in every contract entered into by the Borrower in connection with the Project and subject to compliance with the Section 3 Regulations, including the Construction Contract, and (2) take appropriate action, as provided in an applicable provision of such contract or in this Section, upon a finding that any Person with whom the Borrower contracts, including the General Contractor, is in violation of the Section 3 Regulations. The Borrower covenants and agrees that the Borrower shall not contract with any Person in connection with the Project where the Borrower has notice or knowledge that such Person has been found in violation of the Section 3 Regulations.



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(e) The Borrower agrees to cause the General Contractor to (1) include the language contained in this Section in every subcontract subject to compliance with the Section 3 Regulations, and (2) take appropriate action, as provided in an applicable provision of such Subcontract or in this Section, upon a finding that any subcontractor with whom the General Contractor contracts is in violation of the Section 3 Regulations. The Borrower shall cause the General Contractor to agree that the General Contractor shall not subcontract with any Person where the General Contractor has notice or knowledge that such Person has been found in violation of the Section 3 Regulations.

(f) The Borrower hereby certifies that any vacant employment positions in connection with the Project, including training positions, that were filled prior to the Closing Date and with Persons other than those to whom the Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Borrower's obligations under the Section 3 Regulations.

(g) Noncompliance with the Section 3 Regulations may result in sanctions, including, but not limited to, the declaration by Mercy and/or the City of an event of default under the Documents and the exercise by Mercy and/or the City of its remedies thereunder, as well as debarment or suspension from future HUD-assisted contracts.

(h) The Borrower acknowledges receipt from Mercy of a copy of the City of Chicago Section 3 Compliance Plan booklet (the "Booklet"). The Borrower agrees to complete or cause to be completed, as applicable, those forms contained in the Booklet as requested by Mercy or the City and to submit such forms Mercy or to the City promptly upon Mercy or the City's request. The Borrower hereby represents and warrants to Mercy and the City that all such forms heretofore submitted by or on behalf of the Borrower are true and correct. The Borrower hereby covenants to Mercy and the City that all such forms hereafter submitted by the Borrower shall be true and correct, and that work on the Project shall be carried out in accordance with the existing employee list (with respect to number of employees and job classifications only), hiring plan, training plan, contracting plan and compliance effort narrative, as applicable, as submitted by the Borrower to Mercy and the City, unless otherwise agreed to in writing by Mercy and/or the City.

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## EXHIBIT E

(NEW EXHIBIT C TO REGULATORY AGREEMENT)

### USE OF NSP FUNDS

[SEE ATTACHMENTS]

Acquisition and rehabilitation of the Property in accordance with final plans and specifications to be approved by Mercy and the City as the Required Work under the Redevelopment Agreement, the Construction Schedule, and the Approved Budget.

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

## MPS-NSP Term Sheet Multi-Family

Approval by City of Chicago,  
Dept. of Housing & Economic Development

*Matthew E. Ludwig*

Approval by Developer,  
Bronzeville

*[Signature]*

8322 S Houston, 8637 S Saginaw  
Houston: 4u Residential + NO Comm.  
Bronzeville

	8322 S Houston	8637 S Saginaw
1	53,930	19,430
	Conf.	Conf.
2	32,450	15,710
	Conf.	Conf.
3	86,380	35,140
	Conf.	Conf.
	1,386,610	692,100
	Conf.	Conf.

Work to be performed (Rehab or new Construction)

\*NSP Acquisition Price\*  
Plus: holding costs  
= \*NSP Acquisition Loan Amount\* (NSP Acquisition Price plus holding costs)  
\*NSP Redevelopment Cost\* (Lender rehab loan amount, incl. ZERO dev. fee). Conf. = Per 5/8/12 PNC Preliminary Memorandum + Terms and Conditions

PNC  
12  
Int. Only  
3.250%

Rehab Loan Term (Months)  
Amortization Period (Years)  
Rehab Loan Interest Rate (Prime + 0 bp, ARM)

\*Permitted Developer Fee\* = ZERO.  
\*NSP Loan Amount\* (this is the same as \*NSP Total Development Cost\*)  
\*NSP Total Development Cost\* (Sum of \*NSP Acquisition Loan Amount\* and \*NSP Redevelopment Cost\*)  
Less: Lender permanent loan amount

4	-	-
	Conf.	Conf.
5	1,472,990	727,240
	Conf.	Conf.
6	1,472,990	727,240
	Conf.	Conf.
	34,352	17,307
	Conf.	Conf.

Permanent Lender  
Permanent Loan Term (Years)  
Amortization Period (Years)  
Perm Loan Int Rate (LIBOR + 300 bp, ARM)  
3  
3  
3.250%

Less: Developer Equity  
= Amount to remain outstanding and forgiven over term

**Affordability Restriction**  
Income Qual. AND Rent Restrict. at 50% AMI, AND otherwise restrict 1 per Rep Agr  
Income Qualified at 120% AMI, AND otherwise restricted per Regulator, Agreement

	728,704	709,933
	Conf.	Conf.
	8	4
	8	4

Perform Dep.  
Real Estate Tax  
Insurance  
Utilities  
Prop Maint  
Total

12m  
1m  
3m  
NA  
NA  
NA  
NA  
NA  
NA  
NA

8322 S Houston. Rent and Utility Confirmation to be completed by Developer.

Unit SF Range	Unit Avail. SF	# units	50% AMI	120% AMI	D. Est. Rents	Utilities	Landlord Pd.	Tenant Pd.
700-900	200	2	NA	\$1,041	\$800-900			X
1,100-1,300	1,100	2	NA	\$2,485	\$1,100-1,200			X

8637 S Saginaw. Rent and Utility Confirmation to be completed by Developer.

Unit SF Range	Unit Avail. SF	# units	50% AMI	120% AMI	D. Est. Rents	Utilities	Landlord Pd.	Tenant Pd.
700-900	800	4	NA	\$1,041	\$600-800			X

# UNOFFICIAL COPY

**SCHEDULE FOR COMPLETION - 8322 SOUTH HOUSTON**

WORK	15-Sep	30-Sep	15-Oct	31-Oct	15-Nov	30-Nov	15-Dec	31-Dec	15-Jan	31-Jan	15-Feb	28-Feb	15-Mar	31-Mar	15-Apr	30-Apr	15-May	31-May	15-Jun	30-Jun	15-Jul	
Demo																						
Install Elec service																						
Roof, Parapets																						
Rear Porch Repair																						
Install Windows																						
Tuckpointing, Lentils																						
Exterior & Interior Rough																						
Rough Electrical																						
Rough Plumbing																						
HVAC Installation																						
Insulation																						
Drywall																						
Prime Drywall																						
Ceramic Tile																						
Interior Trim & Doors																						
Install Bath & Kitchen																						
Paint Drywall																						
Repair Front Hallways																						
Final Plumbing																						
Final Elec																						
Carpet / Laminate																						
Repair Concrete/Steps/ Balcony																						
Appliance Installation																						
Fencing/Landscaping/Garage																						

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

NSP1 Budget and Program Updated by MPS 3/1/11

### SWORN OWNER'S STATEMENT TO TITLE COMPANY

STATE OF: Illinois

COUNTY OF: Cook

SS

GREEN - DEVELOPER TO INPUT NAME, ADDRESS  
YELLOW - INITIAL CLOSING DISBURSEMENT

Escrow #

Draw #

Initial Closing

Date

Property

8322 S Houston

Developer

GCD Bronzeville Renovations LLC

Renovations LLC

The affiant, GCD Bronzeville Renovations, LLC being first duly sworn, on oath deposes and says that he is the "owner/beneficiary" of \_\_\_\_\_ held by \_\_\_\_\_

which is the owner \* of the following described premises in Cook County, \_\_\_\_\_ to wit: \_\_\_\_\_

8322 S Houston, Chicago, IL

1. That he/she is thoroughly familiar with all the facts and circumstances concerning the premises described above;
2. That with respect to improvements on the premises the only work done or materials furnished to date are as listed below;
3. That the only contracts let for the furnishing of future work or materials relative to the contemplated improvements are as listed below;
4. That this statement is a true and complete statement of all such contracts, previous payments and balances due, if any.

Contractors Name & Address	Work Performed	Amount of Contract	Changes (+/-)	Adjusted Contracts	Amount Paid Previous	Amount Due This Request	Amount to Become Due (Incl. Retainage)
GCD Bronzeville Renovations LLC	Hard Construction Cost	318,809	-	318,809	-	-	318,809
GCD Bronzeville Renovations LLC	General Conditions of Hard	19,117	-	19,117	-	-	19,117
GCD Bronzeville Renovations LLC	Overhead	6,372	-	6,372	-	-	6,372
GCD Bronzeville Renovations LLC	Profit	19,117	-	19,117	-	-	19,117
	<b>Subtotal Hard Costs</b>	<b>363,214</b>	<b>-</b>	<b>363,214</b>	<b>-</b>	<b>-</b>	<b>363,214</b>
GCD Bronzeville Renovations LLC	Hard Cost Construction Contingency	31,861	-	31,861	-	-	31,861
	<b>TOTAL HARD COSTS</b>	<b>395,075</b>	<b>-</b>	<b>395,075</b>	<b>-</b>	<b>-</b>	<b>395,075</b>
TBD	Architectural Services (Developer) - NSP Program	18,161	-	18,161	-	7,279	10,881
PNC Bank	Financing Fee - \$1,000 Commitment Fee	1,000	-	1,000	-	1,000	-
PNC Bank	Construction Loan Administration / Processing Fee	4,000	-	4,000	-	4,000	-
PNC Bank	Construction Period Interest	27,780	-	27,780	-	-	27,780
PNC Bank	Inspection Fee (Initial + Draws, estimated max. = 3 @ \$500)	2,500	-	2,500	-	1,020	1,480
TBD	Developer Legal Fee - NSP Program Allowance	10,000	-	10,000	-	10,000	-
PNC Bank	PNC Legal Fee	2,500	1,100	3,600	-	3,600	-
Mercy Portfolio Services	Mercy Legal Fee	-	-	-	-	-	-
TBD	Builders Liability Insurance (during construction)	3,200	1,101	4,301	-	4,301	-
TBD	Property Insurance (After construction)	2,200	-	2,200	-	-	2,200
TBD	Property Security	4,800	-	4,800	-	-	4,800
TBD	Utilities - NSP Program Allowance	3,800	-	3,800	-	-	3,800
TBD	Lead Paint Clearance	600	50	700	-	700	-
TBD	Appraisal	2,500	-	3,000	-	550	2,450
Mercy Portfolio Services	Mercy Signage	350	-	350	-	-	350
GCD Bronzeville Renovations LLC	Wage Contingency	40,000	-	40,000	-	-	40,000
GCD Bronzeville Renovations LLC	Soft Cost Contingency	1,000	-	1,000	-	-	1,000
Cook County	Real Estate Taxes (110%)	4,613	-	4,613	-	-	4,613
	<b>TOTAL SOFT COSTS</b>	<b>129,554</b>	<b>-</b>	<b>129,554</b>	<b>-</b>	<b>-</b>	<b>129,554</b>
	<b>SUBTOTAL DEVELOPMENT COSTS</b>	<b>524,629</b>	<b>-</b>	<b>524,629</b>	<b>-</b>	<b>-</b>	<b>524,629</b>
PNC Bank	Perm Loan Reserve	62,955	(2,251)	60,705	-	-	60,705
Mercy Portfolio Services	MPS Developer Sale and loan closing costs	8,000	-	8,000	-	5,113	2,887
Mercy Portfolio Services	MPS Project Reserve	52,463	-	52,463	-	-	52,463
GCD Bronzeville Renovations LLC	Lease - Up Reserve Deposit (\$1,500 per unit)	6,000	-	6,000	-	-	6,000
	<b>TOTAL DEVELOPMENT COSTS</b>	<b>664,048</b>	<b>-</b>	<b>664,048</b>	<b>-</b>	<b>-</b>	<b>664,048</b>
PNC Bank	PNC Perm Loan Fee	5,000	-	5,000	-	-	5,000
PNC Bank	MPS Perm Loan Reserve	17,045	-	17,045	-	17,045	-
PNC Bank	Tax and insurance Escrow Deposit	6,813	-	6,813	-	-	6,813
PNC Bank	Replacement Reserve Deposit (\$400 per unit)	1,800	-	1,800	-	-	1,800
PNC Bank	Operating Reserve Deposit (\$2,500 per unit)	10,000	-	10,000	-	-	10,000
	<b>TOTAL CLOSING COSTS</b>	<b>40,457</b>	<b>-</b>	<b>40,457</b>	<b>-</b>	<b>-</b>	<b>40,457</b>
	<b>TOTAL CLOSING &amp; DEVELOPMENT COSTS</b>	<b>694,505</b>	<b>-</b>	<b>694,505</b>	<b>-</b>	<b>-</b>	<b>694,505</b>
	<b>FINAL PNC LOAN AMOUNT (Rounded up)*</b>	<b>694,510</b>	<b>-</b>	<b>694,510</b>	<b>-</b>	<b>-</b>	<b>694,510</b>

**TOTAL**      **694,505**      **-**      **694,505**      **-**      **64,607**      **694,505**

THE UNDERSIGNED HEREBY APPROVES THE ABOVE AMOUNTS FOR PAYMENT.

Signed: \_\_\_\_\_  
DEVELOPER

Subscribed and sworn to before me this 23<sup>rd</sup> day of Aug 2012

Signed: \_\_\_\_\_



# UNOFFICIAL COPY

## EXHIBIT F

### (NEW EXHIBIT B TO MORTGAGE)

1. Address of Mortgagor:  
GCD Bronzeville Renovations, LLC  
796 W. Bartlett Road  
Bartlett, IL 60103  
Attention: Mark Ainley

2. Interest Rate on Note: Zero percent per annum

3. [Intentionally Omitted]

4. Principal Amount of Note: \$745,749

5. Repayment Terms and Maturity Date of the Loan:

Upon the making of the Senior Permanent Loan in the amount of \$17,045, or such lesser amount as reflects the actual amount of the Senior Permanent Loan, the outstanding principal balance of the Note shall be reduced by such amount. The remaining principal balance of \$728,704 shall be forgiven on a pro rata basis, annually, over a period of 15 years from the date hereof (the "Maturity Date"), subject to compliance by the Mortgagor with all the terms and conditions of the Loan Documents; provided, however, that the term Maturity Date shall also mean such earlier date as or which the principal of the Loan may become due and payable because of acceleration or prepayment as provided in any of the Loan Documents.

6. Non-Recourse Provisions:

(a) Notwithstanding Section 37 of the Mortgage, nothing herein or in any of the Loan Documents shall limit the rights of Mortgagee, following any of the events hereinafter described, to take any action as may be necessary or desirable to pursue Mortgagor, Member, if any, and/or Owner, if any, for any and all Losses incurred by Mortgagee arising from: (i) a material misrepresentation, fraud made in writing or misappropriation of funds by Mortgagor, Member, if any, and/or Owner, if any; (ii) intentional or material waste to the Premises; (iii) use of proceeds of the indebtedness evidenced by the Note for costs other than Eligible Costs; (iv) the occurrence of a Prohibited Transfer without Mortgagee's prior written consent, to the extent such Prohibited Transfer results from the intentional, willful, voluntary and/or negligent acts or omissions of Mortgagor, Member, if any, and/or Owner, if any; (v) any breach of Mortgagor's representations, warranties or covenants regarding hazardous materials or environmental laws contained in any of the Loan Documents; (vi) the occurrence of any uninsured casualty to the Premises or other collateral or security provided under any of the Loan Documents for which there has been a failure to maintain insurance coverage as required by the terms and provisions of the Loan Documents; (vii) the misappropriation

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or misapplication of insurance proceeds or condemnation awards relating to the Premises or other collateral or security provided under any of the Loan Documents; or (viii) any inaccuracy in the statements in the Affidavits.

(b) Notwithstanding Section 37 of the Mortgage, nothing herein or in any of the Loan Documents shall limit the right of Mortgagee to assert liability against Mortgagor, Member, if any, and/or Owner, if any, for the repayment of the Loan in the amount described in the Loan Agreement in the event of a breach by Mortgagor of the requirements set forth in Sections 2.4, 2.5, 2.6, or 2.10 of the Regulatory Agreement as modified by Section 2.7 of the Regulatory Agreement, but only to the extent that such breach results in a demand by HUD on Mortgagee or the City of Chicago for repayment of the Loan in whole or in part, and only to the extent that as a result of such demand, Mortgagee or the City of Chicago are legally obligated to make such payment to HUD. Such payment may be made either by a direct payment from Mortgagee or the City of Chicago to HUD or by a deduction by HUD from other monies allocated or to be allocated to Mortgagee or the City of Chicago by HUD. If Mortgagee so chooses, Mortgagee shall pursue a diligent contest of any such demand by HUD, but shall not be required to pursue the matter any further than reasonably prudent, as determined by Mortgagee. Mortgagor agrees to pay, as a recourse obligation of Mortgagor, all attorneys', experts' and consulting fees and disbursements and expenses incurred in connection with any such contest.

(c) Mortgagee waives any and all right to seek or demand any personal deficiency judgment against Mortgagor, in conjunction with a foreclosure proceeding, under or by reason of any of the non-recourse monetary obligations of Mortgagor; provided, however, that the foregoing shall not limit or affect Mortgagee's right to sue or otherwise seek recourse against Mortgagor, Member, if any, and/or Owner, if any, in any separate action or proceeding for all Losses incurred by Mortgagee arising from any of the matters described in the foregoing paragraphs of this Section 6.