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Doc#: 1225722015 Fee: \$60.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 09/13/2012 08:23 AM Pg: 1 of 12

Property Address: 220-222 S. Lotus Avenue

PIN: 16-16-106-046-0000

Prepared by:

Eva L. Garrett, Esq.
Mercy Portfolio Services
120 South LaSalle Street, Ste 1850
Chicago, Illinois 60603

and After Recording Return to:

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

TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT (this "Agreement") is made as of September 10, 2012 by and between Mercy Portfolio Services, a Colorado non-profit corporation ("MPS"), MPS Community I, LLC, an Illinois limited liability company ("MPS LLC"), Avalon Investment Solutions Company, an Illinois corporation ("Avalon"), and the City of Chicago, an Illinois municipal corporation and home rule unit of government (the "City") (collectively, the "Parties"). All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Redevelopment Agreement (as hereinafter defined).

RECITALS

WHEREAS, The City has or will receive certain funds in the approximate amount of \$55,238,017, \$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

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– 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 Program² 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”).

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 dated effective as of 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”).

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 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.

WHEREAS, MPS agreed to provide Program Funds in the form of a loan in the original principal amount of \$445,646 (the “Loan”) to MPS LLC in connection with the acquisition, and rehabilitation of certain property as legally described on Exhibit A hereto and hereby made a part hereof (the “Property”); and

WHEREAS, the City, MPS and MPS LLC entered into that certain Redevelopment Agreement in connection with the redevelopment of the Property dated as of November 6, 2009, as amended (the “Redevelopment Agreement”); and

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WHEREAS, the City, MPS and MPS LLC entered into that certain Regulatory Agreement dated as of November 6, 2009, as amended (the "Regulatory Agreement"), in connection with the operation of the Property; and

WHEREAS, MPS LLC executed a certain promissory note (the "Note") in favor of MPS in the original principal amount of \$445,646 dated as of November 6, 2009, as amended; and

WHEREAS, the Note is secured by the following documents:

- A. A Mortgage, Security Agreement and Financing Statement dated as of November 6, 2009, as amended (the "Mortgage"), made by MPS LLC in favor of MPS in connection with the Property;
- B. An Assignment of Rents and Leases dated as of November 6, 2009, as amended (the "Assignment of Rents"), made by the MPS LLC in favor of MPS in connection with the Property; and

WHEREAS, MPS assigned the Note, along with the documents securing the Loan evidenced by the Note, to the City pursuant to that certain Assignment of Mortgage and Documents dated as of November 6, 2009, as amended (the "Assignment of Mortgage"); and

WHEREAS, the Note, the Redevelopment Agreement, the Regulatory Agreement, the Mortgage, the Assignment of Rents, and the Assignment of Mortgage shall be hereinafter referred to as the "Documents;" and

WHEREAS, the City, MPS, MPS LLC and Avalon entered into that certain Assignment, Assumption and Amendment of Documents dated as of November 6, 2009 (the "Assignment"), whereby MPS LLC assigned to Avalon and Avalon assumed all of MPS LLC's rights and obligations under the Documents, and the Documents were amended; and

WHEREAS, the Regulatory Agreement was recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on December 3, 2009 as Document No. 0933740039; the Redevelopment Agreement was recorded in the Recorder's Office on December 3, 2009 as Document No. 0933740040; the Mortgage was recorded in the Recorder's Office on December 3, 2009 as Document No. 0933740041; the Assignment of Rents was recorded in the Recorder's Office on December 3, 2009 as Document No. 0933740044; the Assignment of Mortgage was recorded in the Recorder's Office on December 3, 2009 as Document No. 0933740043; and the Assignment was recorded in the Recorder's Office on October 1, 2010 as Document No. 1027447021; and

WHEREAS, concurrently with the execution of the Assignment, MPS LLC conveyed to Avalon by special warranty deed all of MPS LLC's right, title and interest in the Property; and

WHEREAS, concurrently with such conveyance, Avalon executed and delivered to the City separate Reconveyance Deeds for the Property conveying such Property both to the City, and, in the alternative, to MPS LLC; and

WHEREAS, upon acquiring title to the Property, Avalon commenced the Required Work but subsequently suspended completion of the Required Work and has

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failed to complete the Required Work within the period specified in the Redevelopment Agreement; and

WHEREAS, as a result of Avalon's failure to complete the Required Work, the Parties have mutually agreed to terminate the Assignment; and

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

WHEREAS, Avalon holds legal title to the Property; and

WHEREAS, the Senior Lender has caused a release deed to be recorded in the Recorder's Office on July 10, 2012, which release deed operates as a cancellation and release of the senior mortgage; and

WHEREAS, the Parties now desire to execute this Agreement to effectuate the termination of the Assignment.

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 Assignment, and all rights and obligations of the Parties thereunder, is hereby terminated in its entirety and shall be of no further force and effect, effective as of the date of this Agreement.
2. Concurrently with the execution and recording of this Agreement, MPS LLC has recorded the Reconveyance Deed, thereby terminating Avalon's right, title and interest in the Property and vesting title in MPS LLC.
3. Avalon shall have no further rights or obligations under the Documents. All rights and obligations of Avalon under the Documents terminated hereby shall be deemed to revert to MPS LLC by operation of this Agreement, and MPS LLC expressly acknowledges and assumes such rights and obligations under the Documents.
4. This Agreement shall not be construed as a novation of existing indebtedness, and nothing contained herein shall be construed to impair the rights of the City as the holder of the Note. The Documents shall continue to remain in full force and effect without loss of priority.
5. Each party will execute and deliver any additional documents and instruments necessary or appropriate to effectuate this Agreement.
6. This Agreement applies to and binds the Parties hereto and their respective heirs, administrators, executors, successors and assigns.
7. This Agreement shall be governed and construed in accordance with the internal laws of the State of Illinois.
8. If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Agreement

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shall be construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

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

(SIGNATURE PAGE FOLLOWS)

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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

Avalon Investment Solutions Company, an Illinois corporation

By:  _____

Name: Alex Litvinov

Title: President

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

By: _____

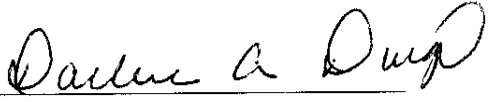
Name: Andrew J. Mooney

Title: Commissioner

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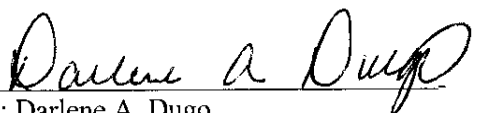
IN WITNESS WHEREOF, the undersigned have executed this Assignment and Assumption and Amendment of Documents as of the day and year first above stated.

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

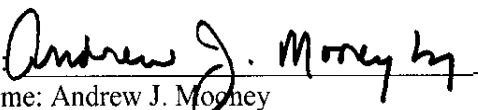
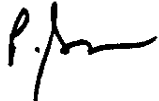
By: Mercy Portfolio Services, a Colorado non-profit corporation and its sole member

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

Avalon Investment Solutions Company, an Illinois corporation

By: _____
Name: Alex Litvinov
Title: President

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

By: 
Name: Andrew J. Mooney
Title: Commissioner 

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STATE OF ILLINOIS)

) SS.

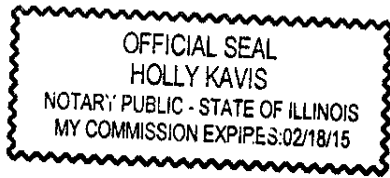
COUNTY OF COOK)

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 2th day of September, 2012.



NOTARY PUBLIC



Property of Cook County Clerk's Office

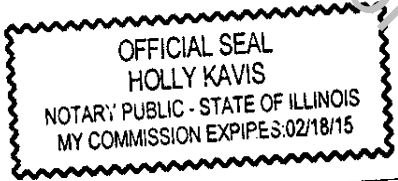
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

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 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 2th day of September, 2012.


NOTARY PUBLIC



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STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, Eva L. Garrett, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Alex Litvinov, personally known to me to be the President of Avalon Investment Solutions Company, an Illinois 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 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 10th day of September 2012.

Eva L. Garrett

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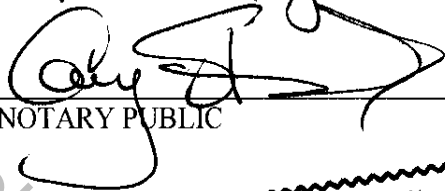
STATE OF ILLINOIS)

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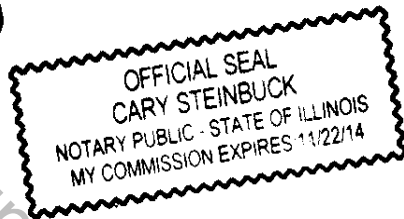
COUNTY OF COOK)

I, CARY STEINBUCK, 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 10th day of August, 2012.



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EXHIBIT A

NSP PROPERTY INFORMATION

Legal Description of Land: THE EAST 35 FEET OF LOT 133 IN SCHOOL TRUSTEE'S SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN(EXCEPT THE SOUTH 33 FEET OF SAID LOT CONDEMNED FOR STREET BY PROCEEDINGS IN SUPERIOR COURT IN CASE NO. 137607, AND EXCEPT THAT PART TAKEN OR USED FOR ALLEY) IN COOK COUNTY, ILLINOIS. ALSO KNOWN AS LOT 1 IN BLOCK 106 IN THE SUBDIVISION OF LOT 133 AND 152 OF SCHOOL TRUSTEE'S SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 220-222 South Lotus Avenue

PIN: 16-16-106-046-0000

Existing Improvements on the Land: 4-Unit Residential Building