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RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/30/2014 10:34 AM Pg: 1 of 44

89500568
Eva Garrett

Prepared by:

Eva Garrett, Esq.
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

5840 S. King Drive
P.I.N. 20-15-124-028-0000

ASSIGNMENT, ASSUMPTION AND SECOND AMENDMENT OF DOCUMENTS

THIS ASSIGNMENT, ASSUMPTION AND SECOND AMENDMENT OF DOCUMENTS (this "Assignment") is made as of January 21st, 2014 by and between Mercy Portfolio Services, a Colorado non-profit corporation ("MPS"), IFF Real Estate Services, LLC, an Illinois limited liability company, ("IFF LLC" or "Assignor"), 5840 S. Dr. Martin Luther King, Jr. Drive, LLC, an Illinois limited liability company ("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 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.

Box 334
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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 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**"); 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 dated as of July 1, 2010, and that certain Agreement Between The City of Chicago and

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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, MPS agreed to provide Program Funds in the form of a loan in the original principal amount of \$903,217 (as amended from time to time, the "Loan") to MPS Community I, LLC ("MPS LLC") to be used in connection with the acquisition and rehabilitation of certain property as legally described on Exhibit A attached hereto and hereby made a part hereof (the "Property"); and

WHEREAS, MPS, MPS LLC and the City entered into that certain Redevelopment Agreement in connection with the redevelopment of the Property, dated as of December 1, 2010, as amended by the Original Assignment (as hereinafter defined) (the "Redevelopment Agreement"); and

WHEREAS, MPS, MPS LLC and the City entered into that certain Regulatory Agreement in connection with the operation of the Property, dated as of December 1, 2010 (the "Original Regulatory Agreement"), which Original Regulatory Agreement was superseded and replaced by that certain First Amended and Restated Regulatory Agreement dated as of September 29, 2011, as further amended by the Original Assignment (the "Amended Regulatory Agreement"); and

WHEREAS, MPS LLC executed that certain promissory note in favor of MPS in the original principal amount of \$903,217 dated as of December 1, 2010 (the "Original Note"), as amended by the Original Assignment which increased the Loan to a principal amount of \$1,213,030 (the "Note"); and

WHEREAS, the Note is secured by the following documents:

A. A Mortgage, Security Agreement and Financing Statement dated as of December 1, 2010 made by MPS LLC in favor of MPS in connection with the Property, as amended by the Original Assignment (the "Mortgage"); and

B. An Assignment of Rents and Leases dated as of December 1, 2010 made by MPS LLC in favor of MPS in connection with the Property, as amended by the Original Assignment (the "Assignment of Rents"); and

WHEREAS, MPS assigned the Original Note, along with the documents securing the Loan evidenced by the Original Note, to the City pursuant to that certain Assignment of Mortgage and Documents dated as of December 1, 2010, as amended by the Original Assignment (the "Assignment of Mortgage"); and

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

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WHEREAS, MPS, MPS LLC, the City, IFF LLC and Chicago Title Land Trust Company, not personally but as Trustee (the "Trustee") under that certain Trust Agreement dated August 19, 2011 and known as Trust Number 8002357775 (the "Trust") of which IFF LLC is the sole beneficiary (collectively, the Trustee and IFF LLC are referred to as the "Original Developer"), entered into that certain Assignment, Assumption and Amendment of Documents dated as of September 29, 2011 (the "Original Assignment"), pursuant to which MPS LLC assigned to the Original Developer, and the Original Developer assumed all of MPS LLC's rights and obligations under the Documents, as amended, and concurrently therewith, MPS LLC conveyed to Trust by special warranty deed all of MPS LLC's right, title and interest in the Property; and

WHEREAS, by mutual agreement of the Parties, Trustee has conveyed all the Trust's right, title and interest in the Property to Assignor, and the Trustee's deed has been released and recorded; and

WHEREAS, title is vested in the Assignor; and

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

WHEREAS, the Original Regulatory Agreement was recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on December 10, 2010 as Document No. 1034434069; the Redevelopment Agreement was recorded in the Recorder's Office on December 10, 2010 as Document No. 1034434070; the Mortgage was recorded in the Recorder's Office on December 10, 2010 as Document No. 1034434071; the Assignment of Rents was recorded in the Recorder's Office on December 10, 2010 as Document No. 1034434072; the Assignment of Mortgage was recorded in the Recorder's Office on December 10, 2010 as Document No. 1034434073; the Amended Regulatory Agreement was recorded in the Recorder's Office on September 29, 2011 as Document No. 1127231034; and the Original Assignment was recorded in the Recorder's Office on October 3, 2011 as Document No. 1127310080.

WHEREAS, Assignor desires to convey title to Assignee, and Assignee desires to accept conveyance of title to the Property, subject to the terms and conditions of this Amendment; and

WHEREAS, the City consents to the transfer of the Property to Assignee; 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 Documents, 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 further amend the Documents, 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. Assignor hereby grants, transfers and assigns to Assignee, all of the obligations under and right, title, and interest of Assignor in and to the Note, together with all sums of money due and payable thereunder, and hereby further grants, transfers and assigns to Assignee all of the obligations under and right, title, and interest of the Assignor in and to the Amended Regulatory Agreement, the Redevelopment Agreement, the Mortgage and the Assignment of Rents.
2. In conjunction with the assignment of the Documents, Assignor hereby assigns all of Assignor's right, title and interest in the Property to Assignee and hereby conveys the Property to Assignee by special warranty deed, concurrently with the execution and recording of this Assignment.
3. Assignee hereby accepts such assignment and agrees to fully assume all of the obligations of the Assignor under the Documents.
4. Assignor hereby covenants and represents that (i) the Assignor has full right and title to assign all of the Documents to Assignee; and (ii) no other assignment of any interest therein has been made.
5. The Redevelopment Agreement is hereby amended by deleting all references to "Department of Housing and Economic Development" and replacing them with "Department of Planning and Development." The Redevelopment Agreement is hereby further amended by deleting all references to "HED" and replacing them with "DPD"
6. Section 23 of the Amended Redevelopment Agreement is hereby amended by deleting the following: "If to the Developer: IFF Real Estate Services, LLC; 1 North LaSalle Street, Suite 700 Chicago, Illinois 60602; Attention: William Rudnick, with a copy to Applegate & Thorne-Thomsen; 626 West Jackson, Suite 400; Chicago, Illinois 60661; Attention: Caleb Jewell," and replacing it with the following: "If to the Developer: 5840 S. Dr. Martin Luther King, Jr. Drive, LLC, c/o Inspiration Corporation, Chicago 4554 North Broadway, Suite 207, Chicago, IL 60640, Attention: Executive Director."
7. Exhibit A to the Redevelopment Agreement is hereby deleted in its entirety and new Exhibit A to the Redevelopment Agreement, attached hereto as Exhibit A and made a part hereof, is substituted in its place.
8. The Redevelopment Agreement is hereby amended by adding new Exhibit C to the Redevelopment Agreement, attached hereto as Exhibit B and made a part hereof.
9. Exhibit B to the Amended Regulatory Agreement is hereby deleted in its entirety and new Exhibit B to the Amended Regulatory Agreement, attached hereto as Exhibit C and made a part hereof, is substituted in its place.

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

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

12. Paragraph 39 of the Mortgage is hereby amended by deleting the following sentence: "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," and replacing it with the following sentence: "This Mortgage shall be subject to and subordinate to that certain Senior Permanent Loan, as defined in the Redevelopment Agreement, as amended."

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

14. 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 \$225,000, 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 \$988,030 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 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."

15. The parties hereto expressly acknowledge that the Loan and the Documents are subject and subordinate to that certain Senior Permanent Loan, as defined on Exhibit A of this Assignment, made by IFF to the Assignee in connection with the Project and any and all documents evidencing and securing the Senior Permanent Loan.

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

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

18. 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

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this Assignment shall be and remain valid and enforceable to the fullest extent permitted by law.

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

20. 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, Assumption and Second 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

IFF Real Estate Services, LLC, an Illinois limited liability company

By: IFF, an Illinois not-for-profit corporation and its sole member

By: _____
Name: Terry Pieniazek
Title: Vice President of Real Estate Services

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, the undersigned have executed this Assignment, Assumption and Second 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

IFF Real Estate Services, LLC, an Illinois limited liability company

By: IFF, an Illinois not-for-profit corporation and its sole member

By: _____

Name: Terry Pieniazek


Title: Vice President of
Real Estate Services

Property of Cook County Clerk's Office

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**5840 S. Dr. Martin Luther King, Jr.
Drive, LLC,**
an Illinois limited liability company

By: Inspiration Corporation, Chicago,
an Illinois not-for-profit corporation,
its sole member

By: 
Name: Shannon K. Stewart
Its: CEO

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

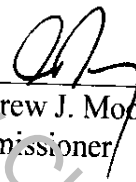
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**5840 S. Dr. Martin Luther King, Jr.
Drive, LLC,**
an Illinois limited liability company

By: Inspiration Corporation, Chicago
an Illinois not-for-profit corporation,
its sole member

By: _____
Name: _____
Its: _____

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

By:  _____
Name: Andrew J. Mooney
Title: Commissioner

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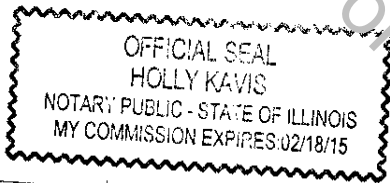
STATE OF ILLINOIS)

) 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 21st day of January, 2014.




NOTARY PUBLIC

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, Nomeda Tautkute, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Terry Pieniazek, personally known to me to be the Vice President of Real Estate Services of IFF, an Illinois not-for-profit corporation and the sole member of IFF Real Estate Services, 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/she signed and delivered the foregoing instrument pursuant to authority given by said company, as his/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 15 day of January, 2014.

Nomeda Tautkute
NOTARY PUBLIC



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STATE OF ILLINOIS)

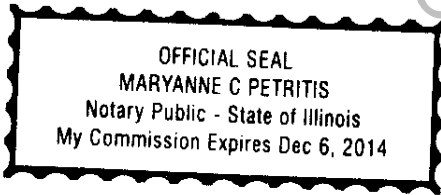
) SS.

COUNTY OF COOK)

I, Maryanne C. Petritis, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Shannon Stewart, personally known to me to be the CEO of Inspiration Corporation, Chicago, an Illinois not-for-profit corporation and sole member of 5840 S. Dr. Martin Luther King, Jr. Drive, 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/she signed and delivered the foregoing instrument pursuant to authority given by said company, as his/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 17th day of January, 2014.

Maryanne C. Petritis
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 Planning and 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 16th day of January, 2014.

Patricia Sulewski
NOTARY PUBLIC



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EXHIBIT A

(NEW EXHIBIT A TO REDEVELOPMENT AGREEMENT)

LEGAL DESCRIPTION: THE SOUTH 10 FEET OF LOT 15, ALL OF LOT 16 AND THE NORTH 19 FEET OF LOT 17 IN BLOCK 1 IN FOLLANSBEE'S SUBDIVISION OF LOTS 17, 18, 21, 22, 23 AND 24 IN NEWHALL, LARNED AND WOODERIDGES SUBDIVISION OF THE NORTHWEST ¼ OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

ADDRESS COMMONLY KNOWN AS: 5840 South King Drive, Chicago, IL 60637

PERMANENT INDEX NO.: 2015-124-028-0000

Existing Improvements on the Land: 3-UNIT RESIDENTIAL BUILDING,

NSP Acquisition Price: \$208,000

NSP Acquisition Loan Amount for acquisition and holding costs: \$216,971

NSP Rehabilitation Loan: \$996,059

NSP Loan Amount: \$1,213,030

Permitted Developer's Fee: \$88,159

NSP Total Development Cost: \$1,213,030

Developer Equity: \$0

Senior Construction Loan: \$996,059, made by Senior Construction Lender, which such Senior Construction Loan has been fully satisfied and repaid with the proceeds of the Senior Permanent Loan.

Senior Construction Lender: Community Investment Corporation ("CIC")

Senior Construction Loan Documents: collectively (i) that certain Construction Loan Agreement by and between IFF Real Estate Services, LLC, an Illinois limited liability company ("Original Developer") and CIC as of September 29, 2011, (ii) that certain Construction Loan Mortgage and Security Agreement with Collateral Assignment of

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Leases and Rents made by the Original Developer in favor of CIC as of September 29, 2011, (iii) that certain Three Year Adjustable Rate Construction Loan Note made by the Original Developer in favor of CIC as of September 29, 2011, and (iv) that certain Security Agreement and Assignment of Interest in Land Trust made by the Original Developer in favor of CIC as of September 29, 2011; provided however, that such Senior Construction Loan Documents have been released in connection with the Senior Permanent Loan.

Senior Permanent Loan: \$225,000

Senior Permanent Lender: IFF, an Illinois non-profit corporation ("IFF")

Senior Permanent Loan Documents: collectively, (i) that certain Loan Agreement by and between 5840 S. Dr. Martin Luther King, Jr. Drive, LLC, an Illinois limited liability company ("Developer") and IFF dated as of the date hereof, (ii) that certain Promissory Note by Developer in the amount of the Senior Permanent Loan in favor of IFF dated as of the date hereof, (iii) that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Developer in favor of IFF dated as of the date hereof, (iv) that certain Environmental Indemnity by Developer in favor of IFF dated as of the date hereof, and (v) Assignment of Management Agreement by and between Developer, IFF and Affordable Property Management Specialists, LLC, an Illinois limited liability company.

Junior Loan: None.

Junior Lender: None.

Junior Loan Documents: None.

Repayment Terms: Upon the making of the Senior Permanent Loan in the amount of \$225,000, 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 \$988,030 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 Regulatory Agreement; provided, however, that the term Maturity Date shall also mean such earlier date as of which the principal of the NSP 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 ATTACHMENT]

(revised term sheet)

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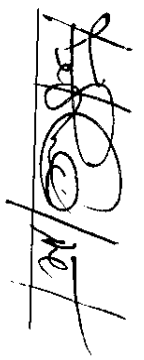
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Summary of Deal Terms for Sale of 5840 S King Drive

5840 S. Dr. Martin Luther King, Jr. Drive, LLC

Seller/Current Owner: IFF Real Estate Services, LLC
Buyer: 5840 S. Dr. Martin Luther King, Jr. Drive, LLC

City of Chicago
 Department of Planning and Development



Original debt and equity structure

Debt Holder	Amount	Interest Rate	Position	Term	Amortization	Notes
Community Investment Corporation	\$217,000	5.50%	1st	20		Fixed for 3 years after 25 floats prime + 3.5% for given equal parts over
City of Chicago (NSP Loan)	\$996,030	0.00%	2nd	20		20 term
Developer Equity	\$0					

Current debt and equity structure for payoff and assumption

Debt Holder	Outstanding Loan Amount	Interest Rate	Position	Term	Amortization	Notes
Community Investment Corporation	\$217,000	5.50%	1st	20		Fixed for 3 years after 25 floats prime + 3.5%
City of Chicago (NSP Loan)	\$996,030	0.00%	2nd	20		loan converted to perm 11/1/2013 for given equal parts over 20 term

Debt and equity structure of new buyer

Debt Holder	Amount	Interest Rate	Position	Term	Amortization	Notes
IFF	\$225,000	5.75%	1st	20		30 Fixed for 3 years after 25 floats prime + 3.5%
City of Chicago (NSP Loan)	\$988,030	0.00%	2nd	20		Original equal parts over 20 term

Affordability Restrictions

4 units Income qualified AND rent restricted at 50% AMI, AND otherwise restricted per Regulatory Agreement
 4 units Income qualified AND rent restricted at 120% AMI, AND otherwise restricted per Regulatory Agreement

MAX AMI **	Unit type	# units	50% AMI Max.	120% AMI Max.	Current rents (can be range)	Utilities	Landlord Pd.	Tenant Pd.
50%	1 bd	1	639	1648	683	Elec.		X
120%	2 bd	1	803	1977	700	Cooking Gas		
50%	3 bd	3	927	2281	946	Heat	X	
120%	3 bd	3	927	2281	900	Water	X	

** The units at 50% AMI have Project-based rental subsidies from the Chicago Housing Authority (CHA). The rents are contract rents with CHA. The tenant's share of rent is 30% of household income.

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Summary of Deal Terms for Sale of 5840 S King Drive

5840 S. Dr. Martin Luther King, Jr. Drive, LLC

City of Chicago
Department of Planning and Development

Seller/Current Owner: HFF Real Estate Services, LLC
Buyer: 5840 S. Dr. Martin Luther King, Jr. Drive, LLC



Original debt and equity structure

Debt Holder	Amount	Interest Rate	Position	Term	Amortization	Notes
Community Investment Corporation	\$217,000	5.50%	1st	20		Fixed for 3 years after 25 floats prime + 3.5% for given equal parts over
City of Chicago (NSP loan)	\$996,030	0.00%	2nd	20		20 term
Developer Equity	\$0					

Current debt and equity structure for payoff and assumption

Debt Holder	Outstanding Loan Amount	Interest Rate	Position	Term	Amortization	Notes
Community Investment Corporation	\$217,000	5.50%	1st	20		Fixed for 3 years after 25 floats prime + 3.5% for given equal parts over
City of Chicago (NSP loan)	\$996,030	0.00%	2nd	20		20 term

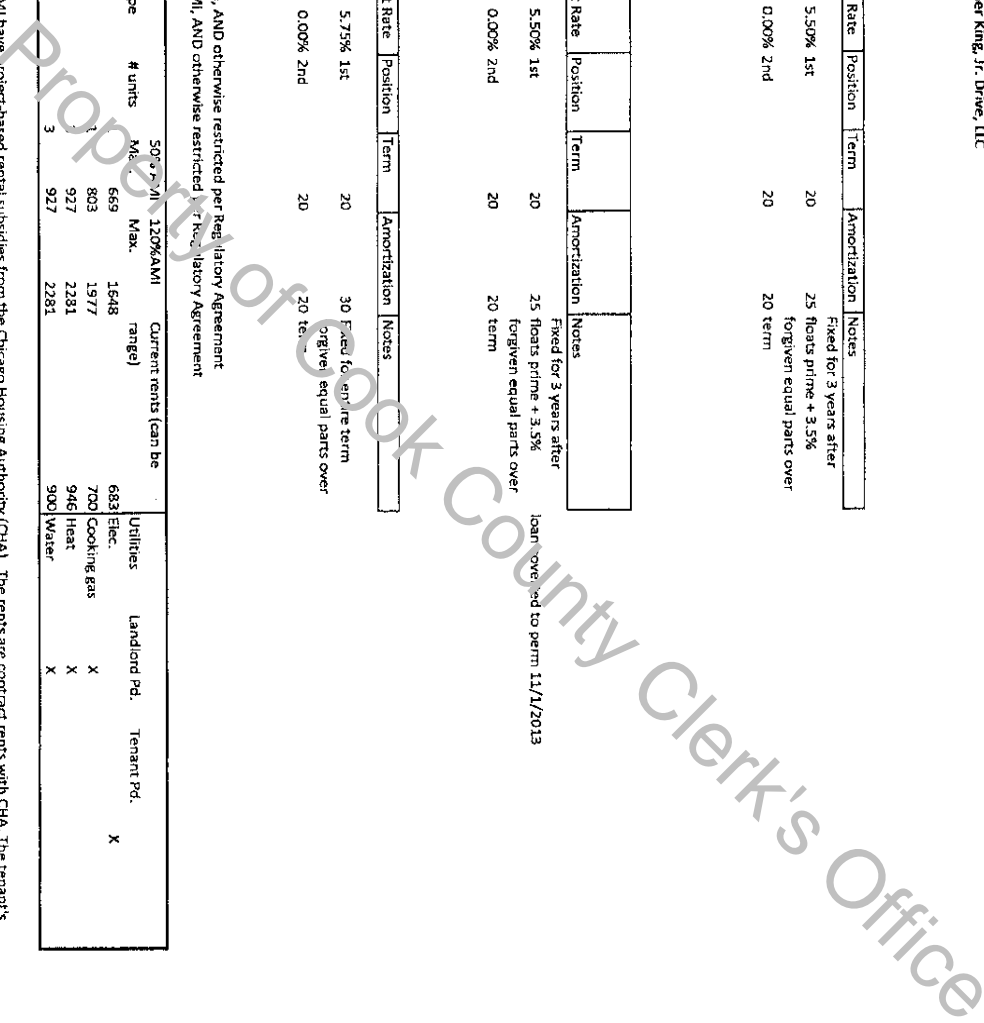
Debt and equity structure of new buyer

Debt Holder	Amount	Interest Rate	Position	Term	Amortization	Notes
IFF	up to \$225,000	5.75%	1st	20		30 Fixed for entire term or given equal parts over
City of Chicago (NSP loan)	\$996,030	0.00%	2nd	20		20 term

Affordability Restrictions
4 units income qualified AND rent restricted at 50% AMI, AND otherwise restricted per Regulatory Agreement
4 units income qualified AND rent restricted at 120% AMI, AND otherwise restricted per Regulatory Agreement

MAX AMI **	unit type	# units	50% AMI	120% AMI	Current rents (can be range)	Utilities	Landlord Pd.	Tenant Pd.
50%	1 bd	669	669	1648	683 Elec.			X
120%	2 bd	803	803	1977	709 Cooking gas			
50%	3 bd	927	927	2281	946 Heat			
120%	3 bd	927	927	2281	900 Water			

** The units at 50% AMI have project-based rental subsidies from the Chicago Housing Authority (CHA). The rents are contract rents with CHA. The tenant's share of rent is 30% of household income.



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EXHIBIT C

(NEW EXHIBIT B TO AMENDED REGULATORY AGREEMENT)

EXHIBIT B TO FIRST AMENDED AND RESTATED 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 \$1,213,030 for financing a portion of the costs of the acquisition and rehabilitation of the Project.

"Project" shall mean the one building located at 5840 South King Drive, Chicago, Illinois, and which shall contain, as of the completion of the acquisition and rehabilitation thereof, 8 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 Construction Lender" shall mean: Community Investment Corporation ("CIC").

"Senior Construction Loan" shall mean: the certain loan for \$996,059 made by Senior Construction Lender, which such Senior Construction Loan has been fully satisfied and repaid with the proceeds of the Senior Permanent Loan.

"Senior Construction Loan Mortgage" shall mean: That certain Construction Loan Mortgage and Security Agreement with Collateral Assignment of Leases and Rents made

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by IFF Real Estate Services, LLC, an Illinois limited liability company in favor of CIC dated as of September 29, 2011, provided however, such Senior Construction Loan Mortgage has been released in connection with the Senior Permanent Loan.

“Senior Permanent Lender” shall mean: IFF, an Illinois not-for-profit corporation (“IFF”).

“Senior Permanent Loan” shall mean: that certain loan for \$225,000 made by the Senior Permanent Lender to 5840 S. Dr. Martin Luther King, Jr. Drive, LLC, an Illinois limited liability company (“Borrower”).

“Senior Permanent Loan Mortgage” shall mean: that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Borrower in favor of IFF dated as of the date hereof.

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. 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>
1/unit	1	\$683
2/unit	1	\$700
3/unit	6	\$900-945

*For long term compliance with NSP set aside requirements, collected rents may exceed the Initial Rents for those units receiving project-based rental subsidies if the Chicago Housing Authority approves a higher contract rent, but in no event shall any tenant's portion of rent exceed the maximum rent allowed by HUD for Very Low-income Families or Eligible-Income Families, as applicable.

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

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Initial Rents</u>
1/unit	1	\$683
3/unit	3	\$900

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

<u>Unit Size</u>	<u>Square Footage</u>
1 bdrm unit	672
2 bdrm unit	960
3 bdrm units	1474

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

<u>Unit Size</u>	<u>Square Footage Range</u>
1bdrm unit	672
3bdrm units	1474

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.

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

5840 S. Dr. Martin Luther King, Jr. Drive, LLC,
c/o Inspiration Corporation, Chicago
4554 North Broadway, Suite 207
Chicago, IL 60640
Attention: Executive Director.

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.

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(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.

(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

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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 D

(NEW EXHIBIT D TO AMENDED REGULATORY AGREEMENT)

[TENANT INCOME CERTIFICATION FORM]

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ANNUAL INCOME CERTIFICATION/RECERTIFICATION (TO BE COMPLETED BY OWNER/MANAGEMENT)



TENANT INCOME CERTIFICATION

Initial Certification Recertification Other _____

Effective Date: _____

Move-in Date: _____
(MM/DD/YYYY)

PART I. - DEVELOPMENT DATA

Property Name: _____ TC #: _____
 Property Address: _____ City: _____ State: _____ Zip: _____
 BIN #: _____ County: _____ Unit Number: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						
7						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____
Add totals from (A) through (D), above			TOTAL INCOME (E):	\$ _____

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____
Enter Column (H) Total If over \$5000		\$ _____	Passbook Rate X Currently 2.00%	= (J) Imputed Income \$ _____
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$ _____
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ _____

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PART V. DETERMINATION OF INCOME ELIGIBILITY			
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	\$	Household Meets Income Restriction at:	RECERTIFICATION ONLY: Current Income Limit x 140%: \$
Current Income Limit per Family Size:	\$	<input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> Other _____%	Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Household Income at Move-in:	\$	Household Size at Move-in:	

PART VI. RENT			
Tenant Paid Rent	\$	Rent Assistance:	\$
Utility Allowance	\$	Other non-optional charges:	\$
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	\$	Unit Meets Rent Restriction at:	
Maximum Rent Limit for this unit: (as of recertification effective date)	\$	<input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	

PART VII. STUDENT STATUS		
ARE ALL OCCUPANTS FULL TIME STUDENTS?	If yes, Enter student explanation* (also attach documentation)	*Student Explanation:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Enter 1-5	1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return 5 Former Foster Child

PART VIII. PROGRAM TYPE				
Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.				
a. Tax Credit <input type="checkbox"/>	b. HOME <input type="checkbox"/>	c. Tax Exempt <input type="checkbox"/>	d. AHDP <input type="checkbox"/>	e. Other <input type="checkbox"/>
See Part V above.	Income Status	Income Status	Income Status	(Name of Program)
	<input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	<input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	<input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	Income Status <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.				

PART IX. HOUSEHOLD DEMOGRAPHIC			
HH Mbr #	Race Code	Ethnicity Code	Disabled? (Y/N)
1			
2			
3			
4			
5			
6			
7			

Race Code	
1	White
2	Black/African American
3	American Indian/Alaska Native
4	Asian
5	Native Hawaiian/other Pacific Island
6	Other

Ethnicity Code	
1	Hispanic or Latino
2	Not Hispanic or Latino

UNOFFICIAL COPY**HOUSEHOLD CERTIFICATION & SIGNATURES**

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student. I/we agree to provide upon request source documents evidencing the income and other information disclosed above. I/we consent and authorize the disclosure of such information and any such source documents to the City, County or IHDA and HUD and any agent acting on their behalf. I/we understand that the submission of this information is one of the requirements for tenancy and does not constitute an approval of my application, or my acceptance as a tenant.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____ Signature	_____ (Date)	_____ Signature	_____ (Date)
_____ Signature	_____ (Date)	_____ Signature	_____ (Date)

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, the Land Use Restriction Agreement (if applicable), and Section 1602 Program requirements (if applicable) to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE DATE

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INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date Enter the date the tenant has or will take occupancy of the unit.

Effective Date Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.

Property Name Enter the name of the development.

County Enter the county (or equivalent) in which the building is located.

BIN # Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).

TC # Enter the Tax Credit Identification Number for the development.

Property Address Enter the address of the building.

Unit Number Enter the unit number.

Bedrooms Enter the number of bedrooms in the unit.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H	-	Head of Household	S	-	Spouse
A	-	Adult co-tenant	O	-	Other family member
C	-	Child	F	-	Foster child(ren)/adult(s)
L	-	Live-in caretaker	N	-	None of the above

Enter the date of birth, student status, and social security number or alien registration number for each occupant.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Indicate the anticipated income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family age 18 or older. Complete a separate line for each income-earning member. List the respective household member number from Part II.

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- Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
- Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
- Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
- Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
- Row (E) Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

- Column (F) List the type of asset (i.e., checking account, savings account, etc.)
- Column (G) Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
- Column (H) Enter the cash value of the respective asset.
- Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
- TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

- Row (K) Enter the greater of the total in Column (I) or (J)
- Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V - Determination of Income Eligibility

- Total Annual Household Income from all Sources Enter the number from item (L).
- Current Income Limit per Family Size Enter the Current Move-in Income Limit for the household size.
- Household income at move-in For recertifications, only. Enter the household income from the move-in

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- Household size at move-in certification. On the adjacent line, enter the number of household members from the move-in certification.
- Household Meets Income Restriction Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.
- Current Income Limit x 140% For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.

Part VI - Rent

- Tenant Paid Rent Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
- Rent Assistance Enter the amount of rent assistance, if any.
- Utility Allowance Enter the utility allowance. If the owner pays all utilities, enter zero.
- Other non-optional charges Enter the amount of non-optional charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
- Gross Rent for Unit Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
- Maximum Rent Limit for this unit Enter the maximum allowable gross rent for the unit.
- Unit Meets Rent Restriction at Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". If at least one household member is not a full time student, check "no".

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

**Full time is determined by the school the student attends.*

Part VIII - Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave these sections blank.

- Tax Credit See Part V above.
- HOME If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
- Tax Exempt If the property participates in the Tax Exempt Bond Program, mark the appropriate box indicating the household's designation.
- AHDP If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
- Other If the property participates in any other affordable housing program, complete the information as appropriate.

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Part IX – Household Demographic

Please ask applicant/resident(s) to provide their demographic information and disability status. If the applicant/resident(s) refuses, it is management's responsibility to complete the information based on observation or derived from other sources.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

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EXHIBIT E

(NEW EXHIBIT E TO AMENDED REGULATORY AGREEMENT)

[ANNUAL REPORT FORM]

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**ANNUAL REPORT OF PROJECT RECEIVING NSP FUNDS
FROM THE CITY OF CHICAGO
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
THROUGH MERCY PORTFOLIO SERVICES**

Borrower: _____

Project Address: _____

Borrower Federal Employer Identification Number: _____

Mercy Portfolio Services, a Colorado non-profit corporation ("Mercy"), MPS Community I, LLC, an Illinois limited liability company (the "Borrower"), and the City of Chicago ("City") have entered into a certain Regulatory Agreement dated as of _____ (the "Regulatory Agreement") and the recorded Assignment, Assumption and Amendment of Documents dated _____, and recorded under document number _____ in connection with certain NSP Funds which Mercy has provided to the Borrower for the Project. The Borrower is required to maintain certain records concerning the Project and the City is required to monitor the Project's compliance with the NSP Legal Requirements, National Affordable Housing Act, the HOME Regulations and the agreements executed by the Mercy and the Borrower in connection with the provision of the NSP Funds. The Borrower further agreed in the Regulatory Agreement to maintain certain records and prepare and deliver certain reports to the City. The Borrower must complete this Annual Report for all projects receiving NSP Funds (the "Annual Report") in fulfillment of its reporting and record-keeping requirements. This Annual Report must be completed in its entirety and must be executed, notarized and returned to the City by April 30th of each year, once a property has been fully leased. In addition, a copy of Schedule I must be completed for each building which comprises a part of the Project. This form is a required component of the Annual Report. No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the meanings ascribed to them in the Regulatory Agreement.

INFORMATION

1. A. Please list the address for each building included in the Project: (If there are additional buildings in the Project, please provide the requested information on a separate sheet and attach to this document.)

Building Address: _____

_____, Chicago, Illinois

B. Please provide:

2. A one-page summary sheet or print out of your Monthly rent and Occupancy Report (attach to Schedule I)

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and complete Schedule I attached for each building included in the Project.

3. Has any change occurred, either directly or indirectly, (a) in the identity of the Borrower, (b) in the identity of any general partner(s), if any, of the Borrower, (c) in the ownership of any interests in any general partner of the Borrower or in any shareholder, trustee or beneficiary of the Borrower, or (d) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Borrower since the date of the execution of the Regulatory Agreement between the City and the Borrower or the most recent Annual Report?

Yes _____ No _____

If Yes, provide all the appropriate documents.

4. Have the Borrower's organizational documents been amended or otherwise modified since they were submitted to Mercy or the City?

Yes _____ No _____

If Yes, provide all amendments and modifications of the Borrower's organizational documents.

5. The Borrower hereby certifies to Mercy and the City that (a) the Project is in full compliance with all currently applicable provisions of the NSP Legal Requirements, the National Affordable Housing Act, the HOME Regulations and the Regulatory Agreement, (b) the Project shall continue to comply with the NSP Legal Requirements, the National Affordable Housing Act, the HOME Regulations and the Regulatory Agreement during the periods required thereby, and (c) no change shall occur in the Borrower without the prior written consent of the City, except as may be permitted pursuant to Section 8 of the Mortgage.
6. Provide the City with independently audited financial statements for the Project for the most recent fiscal year, including an Income and expense statement, a balance sheet listing assets and liabilities, a detailed schedule of operating, maintenance and administrative expenses and a cash flow statement.
7. Provide to the City copies of each lease and each Tenant Certification executed in connection with the Low-Income Project since the later of the execution of the Regulatory Agreement or the last Annual Report submitted to the City. For each such unit in the Low-Income Project, provide to the City the data with respect to tenant characteristics as required by Section 2.18 of the Regulatory Agreement.
8. Provide the City with evidence of compliance with Section 2.26 of the Regulatory Agreement since the later of the execution of the Regulatory Agreement or the last Annual Report, including copies of the notices given to prospective tenants regarding lead-based paint with the signature of each tenant in the Low-Income Project.
9. Did the Project cause the displacement of any People?

Yes __ No _____

If Yes, provide evidence to the City of compliance with Section 2.24 of the Regulatory Agreement, including the information required under 24 C.F.R. Section 92.508(a)(7)(iv). (The information required

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by this question need only be supplied to the City once.)

10. Provide to the City payroll records of the General Contractor indicating compliance with the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act, or the Illinois Prevailing Wage Act, as applicable.

REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to Mercy and the City that each of the following statements is true and accurate:

- A. Very Low-Income Families. All of the units of the Low-Income Project are occupied or available for occupancy by Very Low-Income Families, subject to Sections 2.7 and 2.9 of the Regulatory Agreement.
- B. Compliance. The Project is in compliance with all of the currently applicable requirements of the NSP Legal Requirements, the National Affordable Housing Act, the HOME Regulations and the Regulatory Agreement. The Borrower will take whatever action is required to ensure that the Project complies with all requirements imposed by the NSP Legal Requirements, the National Affordable Housing Act, the HOME Regulations and the Regulatory Agreement during the periods required thereby.
- The Borrower shall retain all tenant selection documents, which include but are not limited to: Income verification, employment verification, credit reports, leases and low-income computation forms, to be available for periodic inspections by Mercy, the City or its representatives. The City, at its option, can periodically inspect the Project, and all tenancy-related documents to determine continued compliance of the Project with all applicable requirements.
- C. Litigation. No litigation or proceedings are pending or, to the Borrower's knowledge, threatened, which may affect the interest of the Borrower in the Project or the ability of the Borrower to perform its obligations with respect thereto, except as disclosed on Exhibit ___ attached hereto and hereby made a part hereof.
- D. Contracts. The Borrower has taken affirmative action to ensure that women- and minority-owned businesses have had the maximum opportunity to compete for and perform as contractors for supplies and/or services, and will continue to do so with future contracts and awards as provided in Sections 2-92-420 through 2-92-570, inclusive, of the Municipal Code of Chicago, as from time to time supplemented, amended and restated.
- E. Marketing; Nondiscriminatory Access. All units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, color, national origin, religion, creed, sex, age or handicap.
- F. Facilities. Each unit is and will remain suitable for occupancy.
- G. Maintenance. Other than in connection with the construction and/or rehabilitation, as applicable, of the Project, the Borrower has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any residential rental unit for any purpose other

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than rental housing. The Borrower has used its best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of the Regulatory Agreement.

- H. Records. The Borrower is in possession of all records which it is required to maintain pursuant to the terms of the NSP Legal Requirements, the National Affordable Housing Act, the HOME Regulations and the Regulatory Agreement as well as any additional records which the City has determined to be necessary to the compliance and administration of the Project.

The Borrower has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Regulatory Agreement and in any event the requirements of the Regulatory Agreement are paramount and controlling as to the rights and obligations therein set forth and supersede any other requirements in conflict therewith. The Borrower shall continue to cooperate with Mercy and the City and furnish such documents, reports, exhibits or showings as are required by the NSP Legal Requirements, the National Affordable Housing Act, the HOME Regulations, the Regulatory Agreement and the City or the City's counsel.

If the Borrower is unable to make any representation or warranty set forth above, the Borrower must immediately contact the City and inform the City of the reason that the Borrower is unable to make such representation or warranty; provided, however, that the foregoing shall not be deemed to negate any notice and/or cure periods available to the Borrower under the Documents (as defined in the Regulatory Agreement).

INDEMNIFICATION

The Borrower hereby agrees to fully and unconditionally indemnify, defend and hold harmless Mercy and the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations incurred by Mercy and/or the City that may arise in any manner out of or in connection with actions or omissions which result from the Borrower's responses or documents provided pursuant to the terms of this Annual Report, including breaches of the representations and warranties herein contained, other than those judgments, losses, liabilities, damages, costs and expenses arising out of Mercy and/or the City's gross negligence or willful misconduct following Mercy and/or the City's acquisition of title to or control of the Project, unless such act is taken in response to any willful misconduct or negligent act or omission of the Borrower.

Based on the understanding that the City may rely upon the truth and accuracy of this Annual Report and the statements made by the undersigned, the undersigned hereby certifies to the City that each response, representation, warranty and document delivered by the Borrower in connection herewith is true and accurate and will continue to be true and accurate.

Borrower

Date

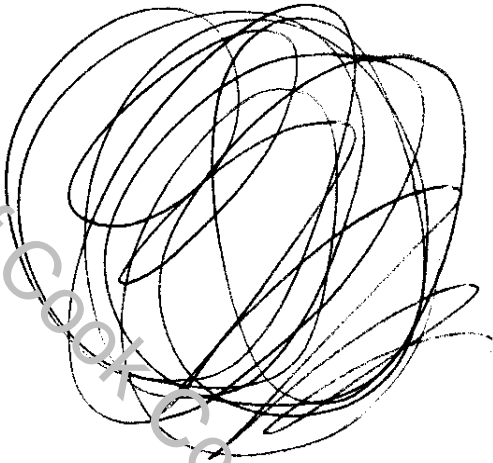
Subscribed and sworn to before me this
Approved form/multifamily/NSP 102011

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__ day of _____, __.

Notary Public (SEAL)

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SCHEDULE I

Borrower:

Borrower's Contact person and Mailing Address: _____

Date of Regulatory Agreement:

Date of Assignment and Assumption document:

Property Address: _____

PLEASE ATTACH THE RENT AND OCCUPANCY SUMMARY REPORT.
FOR ALL NEW FAMILIES MOVING INTO THE PROJECT ONLY: ATTACH LEASES
AND INCOME CALCULATION RECORDS

1. (a) Note utilities paid by tenants:

(b) Note utilities paid by Borrower:

2. How many units are rented to 50% and under AMI families? – Please provide the total and provide the unit number and bedroom size.

Total units at 50% and under:

Unit number:

Bedroom size of Unit

_____	_____
_____	_____
_____	_____
_____	_____

(or attach a rent roll describing this information in detail)

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3. How many units are rented to the 120% and under AMI families? Please provide the total and provide the unit number and bedroom size.

Total units at 120% and under: _____

Unit number:

Bedroom size of Unit

(or attach a Rent Roll describing this information in detail)

4. Have any new families moved in since the last Annual Report filed for this building?

Yes

No

4. b. If YES, indicate the following:

<u>Unit</u>	<u>Br.</u>	<u>Rent</u>	<u>Family's Income</u>	<u>Family's AMI</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(ATTACH A SEPARATE SHEET IF MORE SPACE IS REQUIRED).

5. Have any Very Low Income Families been evicted since the time of the last Annual Report or if this report is the first Annual Report filed with respect to this building, since the initial rent-up of this building?

Yes

No

5. b. If YES, please provide details:

<u>Name:</u>	<u>Unit No.</u>	<u>Reason for Eviction</u>	<u>Status</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

6. Has any legal or administrative action been instituted by any Very Low-Income Family against the Borrower?

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Yes

No

6. b. If YES, please provide details.

Name:	Unit No.	Action instituted	Status
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7. Please attach a copy of the Affirmative Fair Housing Marketing (AFHM) Plan. Please describe how the AFHM plan complies with the marketing program and strategies requirements and how you attract all segments of eligible populations, and especially those persons identified in your plan as "LEAST" likely to apply.

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EXHIBIT F

(NEW EXHIBIT B TO MORTGAGE)

1. Address of Mortgagor:

5840 S. Dr. Martin Luther King, Jr. Drive, LLC
 c/o Inspiration Corporation, Chicago
 4554 North Broadway, Suite 207
 Chicago, IL 60640
 Attention: Executive Director

2. Interest Rate on Note: Zero percent per annum

3. [Intentionally Omitted]

4. Principal Amount of Note: \$ \$1,213,030

5. Repayment Terms and Maturity Date of the Loan:

Upon the making of the Senior Permanent Loan (as defined in the Redevelopment Agreement, as amended) in the amount of \$225,000, 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 \$988,030 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 Regulatory Agreement; provided, however, that the term Maturity Date shall also mean such earlier date as of which the principal of the NSP 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.