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PTAX-203-NR 3

Illinois Real Estate Transfer Tax Payment Document (non recorded transfers)



r's Office use.

Doc#: 1403816051 Fee: \$50.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 02/07/2014 12:43 PM Pg: 1 of 7

This document is recorded for the purpose of affixing Real Estate Transfer Tax stamps that were purchased for the following transferring document under provisions of Public Act 93-1099.

Property information

2800 N Milwaukee Avenue
Street address of property (or 911 address, if available)
Chicago 60618 Jefferson
City or village ZIP Township

Parcel identifying number 13-26-225-015-0000

13-26-225-016-0000

Legal description

Please see attachment

Date of transferring document: 08/20/12
Month Year

Type of transferring document: Purchase and Sale Agreement (for Partnership Interests)

Signature

X *[Signature]*

Date 6/20/13

Preparer Information (Please print.)

James R. Kroger (Novogradac & Company LLP)

N/A

Preparer's file number (if applicable)

246 First Street, 2nd Floor

San Francisco

CA. 94105

Street address

(415) 356-8000

Preparer's daytime phone

Preparer's signature

Jim. Kroger @ novoco.com

Preparer's e-mail address (if available)

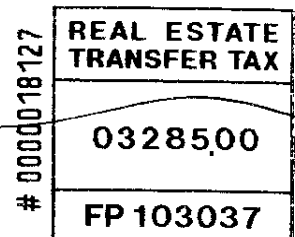
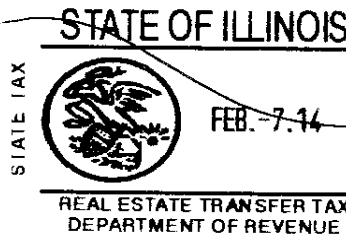
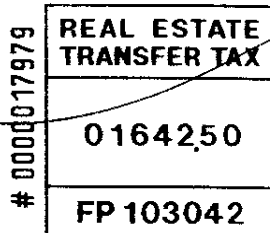
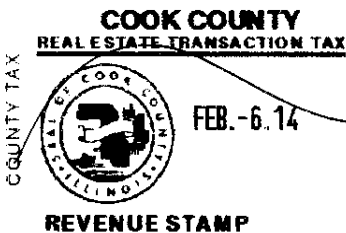
Transfer Tax

Net consideration subject to transfer tax
Illinois Tax
County Tax
Total amount of transfer tax due

\$ 3,284,865.00
\$ 3,285.00
\$ 1,642.50
\$ 4,927.50

Affix Revenue stamps here

If stamps are not affixed, please state the exemption provision under 35 ILCS 200/31-45 (see Page 2).



City of Chicago
Dept. of Finance
657469



Real Estate
Transfer
Stamp
\$9,855.00

Batch 7,420,742

12/9/2013 14:21
dr00193

City of Chicago
Dept. of Finance
657468



Real Estate
Transfer
Stamp
\$24,637.50

Batch 7,420,742

12/9/2013 14:21
dr00193

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PTAX-203-NR Illinois Real Estate Transfer Tax Payment Document (non recorded transfers)

Legal Description

LOTS 18, 19, AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, TAKEN AS A TRACT, LESS AND EXCEPT PARTS

Property of Cook County Clerk's Office

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SUMMARY TRANSACTION DESCRIPTION

Grantor / Seller: Citicorp USA, Inc.
Grantee / Buyer: Wells Fargo Community Investment Holdings, LLC
Date of Sale: August 15, 2012
Property Address: 2800 N. Milwaukee Avenue, Chicago, IL 60618
County: Cook County

Hairpin Lofts, LLC (the "Ownership Entity") owns and operates a multifamily affordable rental real estate property located in Chicago, Illinois, commonly referred to as Hairpin Lofts (the "Multifamily Property"). The Multifamily Property is located at 2800 N. Milwaukee Avenue, Chicago, Illinois 60618 in Cook County. The Multifamily Property was financed using federal low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended.

U.S.A. Institutional Tax Credit Fund LXXI L.P., a Delaware limited partnership ("Fund 71"), owns a 99% limited partnership interest in the Ownership Entity. Fund 71 is an investment fund organized and managed by The Richman Group that invests in multifamily affordable rental real estate properties that qualify for Section 42 low-income housing tax credits. At all times prior to the transaction described herein, Citicorp USA, Inc., a Delaware corporation (the "Seller"), owned a 99.99% limited partnership interest in Fund 71 and an affiliate of The Richman Group owned a 0.01% general partnership interest. (See the structure diagram on the following page.)

On August 15, 2012, the Seller entered into a Purchase and Sale Agreement with Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company (the "Buyer"), pursuant to which the Seller agreed to sell and transfer its 99.99% limited partnership interest in Fund 71 to the Buyer. The portion of the consideration paid by the Buyer to the Seller with respect to the Ownership Entity and the Multifamily Property was \$3,284,865. The transaction was consummated on August 15, 2012.

The sale and transfer of the Seller's limited partnership interest in Fund 71 had no effect on the Ownership Entity's direct ownership of the Multifamily Property or the amount of mortgage debt existing on the Multifamily Property because the transaction involved only the sale of an interest in an "upper-tier entity" that owned an indirect interest in the Multifamily Property through its limited partnership interest in the Ownership Entity. Because there was no transfer of, or effect on, the direct ownership of the Multifamily Property, no deed or trust document was recorded in connection with the transaction.

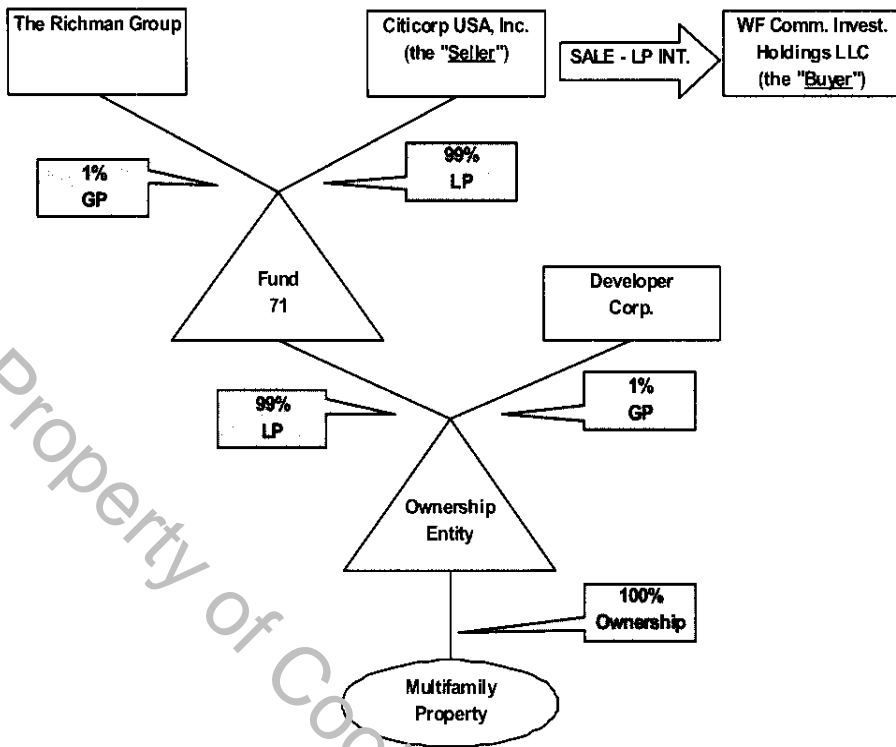
However, after further analysis by the Seller of the provisions of the Illinois Real Estate Transfer Tax Law, 35 ILCS 200/31-1 et seq., the Seller has concluded that its sale of the 99.99% limited partnership interest in Fund 71 constitutes the sale of a "controlling interest" in a "real estate entity" under the Illinois Real Estate Transfer Tax Law because: (i) such sale resulted in the sale of an indirect 99.98% beneficial ownership interest in the Ownership Entity; and (ii) the Ownership Entity constitutes a "real estate entity" due to the fact that the estimated fair market value of the Multifamily Property constitutes more than 75% of the total estimated fair market value of all of the Ownership Entity's assets. Similarly, the Seller has concluded that the transaction constitutes the transfer of a controlling interest in a real estate entity for purposes of the Chicago Real Property Transfer Tax Ordinance, Chicago Municipal Code Chapter 3-33.

The transfer tax for the State of Illinois is equal to \$0.50 for every \$500 of consideration paid. The transfer tax for each county is equal to \$0.25 for every \$500 of consideration paid. The transfer tax for the City of Chicago is equal to \$5.25 for every \$500 of consideration paid.

Pursuant to Section 5.2 of the Purchase and Sale Agreement, the Seller has agreed to be solely responsible for filing and payment of any real property transfer taxes that may be imposed by the consummation of the transfer of the Seller's limited partnership interest in Fund 71. Accordingly, the Seller is paying the full amount of transfer taxes owed.

The Illinois real estate transfer tax is \$3,285 [$\$3,284,865 / 500 \times \0.50].
 The county real estate transfer tax is \$1,642.50 [$\$3,284,865 / 500 \times \0.25].
 The Chicago real estate transfer tax is \$34,492.50 [$\$3,284,865 / 500 \times \5.25].

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PTAX-203 Illinois Real Estate Transfer Declaration

Step 4 – Tax Mailing Address

For any communications related to PROPERTY TAX, please continue to send to the current address on file.

For any communications related to REAL ESTATE TRANSFER TAX, please send to the following address:

Citicorp USA, Inc.
c/o Citi Community Capital
390 Greenwich St., 2nd Floor
New York, NY 10013
Attn: Andrew P. Lee
(212) 723-4205

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PTAX-203-B Illinois Real Estate Transfer Declaration Supplemental Form B

Step 1, Item 2 – Parcel Identifier

Property index number (PIN)

13-26-225-015-0000

13-26-225-016-0000

Physical Address per Cook County Treasurer's Office Website

2812 N. Milwaukee Avenue

2802 N. Milwaukee Avenue

Step 4, Item 12A – Personal Property

Citicorp USA, Inc. received \$3,284,865 from Wells Fargo Community Investment Holdings, LLC for its 99.99% interest in the Ownership Entity. The purchase price is for the real estate and no value was allocated to any personal property at the project.

Step 4, Item 15 - Outstanding Mortgage

There is existing debt on the rental real estate in the Ownership Entity's name. After the transfer of controlling interest within the Ownership Entity, the existing debt will remain on the rental real estate in the Ownership Entity's name. The transfer has no effect on the existing debt. The purchase price already takes into consideration the limited partner's share of debt in the event of liquidation; therefore the existing debt in the Ownership Entity will not affect the purchase price for documentary fee calculation purposes.

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Community Capital

June 20, 2013

Cook County Recorder of Deeds
 118 N. Clark Street, Room 120
 Chicago, IL 60602-1307

Re: State of Illinois PTAX-203; Cook County Real Estate Transfer Declaration

Ladies and Gentlemen:

Enclosed for filing with the Cook County Recorder of Deeds are an executed State of Illinois PTAX-203 and Cook County Real Estate Transfer Declaration (the "Forms") related to a non-deed transfer of an indirect controlling interest in an entity that owns a multifamily rental building located in Chicago, Illinois (the "Transaction"). As described in more detail in the materials included with the Forms, the Transaction involved Citicorp USA, Inc. ("Citi") selling a greater-than-50% limited partnership interest in an "upper-tier" low-income housing tax credit partnership that is, in turn, a greater-than-50% limited partner in a "lower-tier" partnership that owns the multifamily rental building (either directly, or indirectly through a wholly owned subsidiary). *There was no transfer of the real estate itself, so no deed was required to be recorded.* The only change in the overall ownership structure was the change in equity ownership of the top level "upper-tier" partnership.

The Transaction closed in 2012 and Citi previously remitted checks to the Cook County Recorder of Deeds in December 2012 in the amount of \$3,285.00 (payable to the Illinois Department of Revenue) and \$1,642.50 (payable to the Cook County Treasurer) representing payment for 100% of the real estate transfer taxes payable to the state and the county as a result of the Transaction. However, our business division recently learned that these two checks were returned by your office to Citi because the Forms did not accompany the checks when they were originally submitted. We discovered that the Forms were not submitted with the checks due to an inadvertent administrative oversight. We also learned that instead of splitting the payments into two separate checks, the taxes should be combined into a single check made payable to Cook County. Accordingly, Citi is now remedying these oversights by filing the Forms with the Cook County Recorder of Deeds and resubmitting a new single check. We sincerely apologize for any confusion that was created.

If there are any questions about the foregoing, please contact Nick Friend at nicholas.friend@citi.com or David Perlow at david.perlow@citi.com. Both can be reached at 390 Greenwich St., 2nd Floor, New York, NY 10013.

Sincerely,

Zack Christensen
 Director
 Citi Community Capital

Enclosures