

## **SECURED GRANT**

\$400,000.00  
(Amount)

Aurora, IL

\_\_\_\_\_, 202\_\_\_\_\_  
(Closing Date)

**THIS SECURED GRANT IS REPAYABLE PURSUANT TO THE TERMS LISTED BELOW AT THE TIME THE PROPERTY IS SOLD OR THE TITLE TO THE PROPERTY IS TRANSFERRED; PROVIDED, HOWEVER, THAT IF ALL CONDITIONS SPECIFIED HEREIN ARE MET, NO MORE THAN \$200,000 OF THE SECURED GRANT WILL BE REPAYABLE AFTER THE DATE THAT IS FIVE (5) YEARS AFTER THE PROJECT COMPLETION DATE IN THE INTEGRATED DISBURSEMENT AND INFORMATION SYSTEM (IDIS) PURSUANT TO THE TERMS OUTLINED BELOW.**

Property Address: 2 NORTH STOLP AVENUE ILLINOIS 60506,  
PIN: 15-22-329-003 ("Premises")

THIS Secured Grant is made effective as of the date stated above by NORTH ISLAND APARTMENTS LIMITED PARTNERSHIP BY: NORTH ISLAND APARTMENTS LLC ITS GP , an Illinois LLC ("North Island"), whose address is 1509 W. Berwyn Ave. Suite 200, Chicago, IL 60640 and is payable to the order of the City of Aurora, Community Development Division ("Aurora"), whose mailing address is 44 E. Downer Place, Aurora, Illinois 60505.

### **1. NORTH ISLAND'S PROMISE TO REPAY GRANT**

In return for a grant received under the Development Agreement between the City of Aurora and North Island APARTMENTS LIMITED PARTNERSHIP BY: North Island APARTMENTS LLC ITS GP,, approved by City Council resolution \_\_\_\_\_, with an effective date of \_\_\_\_\_, 202\_ ("Development Agreement"), CDBG Funds are provided to North Island as a secured grant (the "Secured Grant"), subject to repayment pursuant to Section 2 hereof.:

North Island also acknowledges and agrees that the Aurora may transfer this Secured Grant. Aurora or anyone who takes this Secured Grant by transfer and who is entitled to receive repayments under this Secured Grant is called the "SG Holder."

### **2. TERMS OF REPAYMENT**

North Island and SG Holder understand and agree that North Island is not required to make any monthly payment of the Secured Grant; provided, however, that:

(A) If before the date that is Five (5) years after the project completion date in the Integrated Disbursement and Information System (IDIS) (the "Fifth Anniversary")

either (i) the property securing this Secured Grant, or any interest in such property, is sold or transferred or (ii) the property is no longer used for the purposes stated in Development Agreement PROJECT NUMBER: CDBG-2025-01, then in either case the entire funded amount of the Secured Grant shall be repaid by North Island within thirty (30) days.

(B) If after the Fifth Anniversary, (i) the property securing this Secured Grant, or any interest in such property, is sold or transferred or (ii) the property is no longer used for the purposes stated in Development Agreement PROJECT NUMBER: CDBG-2025-01, then in either case, Section 3 shall be applicable.

This Secured Grant and the mortgage securing this Secured Grant are subject to all of the terms and conditions contained in the Development Agreement.

Any and all repayments under this Secured Grant shall be sent to the CITY OF AURORA, Community Development Division, Attn: PROJECT NUMBER: CDBG-2025-01 or to such other place required by Aurora.

### **3. POST-FIFTH ANNIVERSARY REPAYMENT**

If Section 2(B) is applicable, then at the time that the property is sold, transferred, or is no longer used for the purposes stated in Development Agreement PROJECT NUMBER: CDBG-2025-01, North Island shall repay no more than one-half of the funded amount of the Secured Grant to the SG Holder, to the extent such amount is available from one-half (1/2) of the net sale proceeds after North Island has repaid the following amounts:

- 1) Any and all standard closing costs as approved by the City, relating to or arising out of any such sale or transfer; and
- 2) Any and all debt recorded against the property and/or reported on North Island's audited financials for the property; and
- 2) Any outstanding fees owed to the city including utilities, permit fees, and fines; and
- 3) Any deferred development fees; and
- 4) Return of any advances documented on North Island's audited financials by any of its partners and/or their principals, Managers, Members, or owners that were needed due to the impact of the 2020 pandemic.

### **4. NORTH ISLAND'S RIGHT TO PREPAY**

North Island has the right to make repayments of the Grant at any time before any repayment may be due. When North Island intends to make any prepayment, North Island will tell the SG Holder in writing that North Island is doing so.

North Island may make a full prepayment or partial prepayments without paying any prepayment charge. The SG Holder will use all of my prepayments to reduce the amount

of the Grant, none of which will change any due date hereunder.

## **5. NORTH ISLAND'S FAILURE TO REPAY AS REQUIRED**

If North Island violates any provision of the Development Agreement, this Secured Grant, or the Mortgage securing this Secured Grant, North Island shall be in default under this Secured Grant. The SG Holder shall notify the North Island in writing of any default. North Island shall have a period of thirty (30) days after such notice is given within which to cure the default prior to exercise of remedies by the SG Holder under this Secured Grant.

### **A. Notice of Default**

If North Island is in default, the SG Holder shall issue a written notice telling North Island that if North Island does not cure the default by a certain date, the SG Holder may require North Island to repay immediately the amount described in Section 5.B. hereof

### **B. Grant Repayment Amount**

If such uncured default occurs prior to the Fifth Anniversary, then North Island shall be obligated to repay the full amount of the Secured Grant. If, instead, such uncured default occurs after the Fifth Anniversary, then North Island shall only be obligated to repay the sum of two hundred thousand (\$200,000) dollars.

### **C. No Waiver By SG Holder**

Even if the SG Holder does not require North Island to repay immediately pursuant to Section 5.B., at a time when North Island is in default, the SG Holder will still have the right to do so if North Island is in default at a later time.

### **D. Payment of SG Holder's Costs and Expenses**

If the SG Holder has required North Island to pay immediately as described above, the SG Holder will have the right to be paid back by North Island for all of its costs and expenses in enforcing this Secured Grant to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

### **E. Default Interest**

If a Default occurs by reason of North Island using, selling, transferring, assigning, or conveying the premises to which this Secured Grant applies, contrary to any term of the Development Agreement, then in addition to other available remedies, default interest shall be due and payable at the annual rate of Ten Percent (10%) or the maximum annual interest rate permitted by law, whichever is greater, from the date of default to the date of full repayment of the principal.

## **6. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice given to North Island under this Secured Grant will be given by delivering it or by mailing it by prepaid first-class mail to North Island at its corporate address above. Any notice that must be given to the SG Holder under this SECURED GRANT will be given by mailing it by prepaid first-class mail to the SG Holder at the address stated in Section 3 above or at a different address if North

Island is given a notice of that different address.

## **7. OBLIGATIONS OF PERSONS UNDER THIS SECURED GRANT**

This Secured Grant is a nonrecourse obligation of North Island. Neither North Island nor any of its partners, officers, or their respective successors and assigns, nor any other party shall have any personal liability for repayment of this Secured Grant. The sole recourse of SG Holder under this Secured Grant for repayment shall be the exercise of its rights against the premises and any related security thereunder.

## **8. WAIVERS**

North Island and any other person who has obligations under this Secured Grant waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the SG Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the SG Holder to give notice to other persons that amounts due have not been paid.

## **9. SECURED GRANT**

In addition to the protections given to the SG Holder under this Secured Grant, a mortgage, discussed above, dated the same date as this Secured Grant, protects the SG Holder from possible losses which might result if North Island does not keep the promises which North Island makes in this Secured Grant. That mortgage describes how and under what conditions North Island may be required to make immediate repayment in full of all amounts specified hereunder.

## **10. NOTICES**

Any notice, demand, request or other communication which any party may desire or may be required to give to any other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) electronic communication, whether by facsimile or electronic mail, together with confirmation of transmission; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

If to North Island:

Realty & Mortgage Co. \_\_\_\_\_  
1509 W. Berwyn Ave. Suite 200      \_  
Chicago, IL 60640 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Hugh Rider, Co-President

If to City:

City of Aurora

Community Development Division  
44 E. Downer Place  
Aurora, Illinois 60505  
Attn: Community Development Manager

DRAFT

**WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.**

**North Island**

NORTH ISLAND APARTMENTS LIMITED PARTNERSHIP BY: NORTH ISLAND APARTMENTS LLC ITS GP,  
an Illinois LLC

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

Its: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 202\_

State of Illinois     )  
                                  ) SS  
County of \_\_\_\_\_ )

I, the undersigned, a Notary Public, in and for the County and State aforesaid,  
DO HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be  
the \_\_\_\_\_, 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 severally acknowledged that as such  
Manager, he or she signed and delivered the said instrument as his or her free and  
voluntary act, and as the free and voluntary act and deed of said limited liability  
company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_,  
202\_.

\_\_\_\_\_  
Notary Public