

County Loan - RLF		# of yrs				
70,000.00	Rate	Amoritized	Year #	Amount per month	Amount per yr	
Starting 1/1/98	0%	15	1	388.88	4,666.56	
	0%	15	2	388.88	4,666.56	
	0%	15	3	388.88	4,666.56	
<b>Collateral</b>	3%	12	4	463.55	5,562.60	
2nd on real estate	3%	12	5	463.55	5,562.60	
which will be sub	3%	12	6	463.55	5,562.60	
to City/County bond	4%	9	7	483.90	5,806.80	
	4%	9	8	483.90	5,806.80	
2nd position on	4%	9	9	483.90	5,806.80	
business equipment	4%	9	10	483.90	5,806.80	
<b>Balloon payment</b>						26,275.50
<b>at month 120</b>						
<b>Total paid over life of loan</b>						80,190.18

City Loan - RLF		# of yrs				
30,000.00	Rate	Amoritized	Year #	Amount per month	Amount per yr	
starting 1/1/98	0%	15	1	166.67	2,000.04	
<b>Collateral</b>	0%	15	2	166.67	2,000.04	
2nd on real estate	0%	15	3	166.67	2,000.04	
which will be sub	3%	12	4	198.66	2,383.92	
to City/County bond	3%	12	5	198.66	2,383.92	
	3%	12	6	198.66	2,383.92	
2nd position on	4%	9	7	207.39	2,488.68	
business equipment	4%	9	8	207.39	2,488.68	
	4%	9	9	207.39	2,488.68	
	4%	9	10	207.39	2,488.68	
<b>Balloon payment</b>						11,260.70
<b>at month 120</b>						
<b>Total paid over life of loan</b>						34,367.30

City Loan - Econ Dev		# of yrs				
400,000.00	Rate	Amoritized	Year #	Amount per month	Amount per yr	
	0%		1	0.00	0.00	
	0%		2	0.00	0.00	
<b>Collateral</b>	2%	30	3	1,480.00	17,760.00	
3rd mortgage on	2%	30	4	1,480.00	17,760.00	
property to be sub	2%	30	5	1,480.00	17,760.00	
to City/County bond	2%	30	6	1,480.00	17,760.00	
	2%	30	7	1,480.00	17,760.00	
	2%	30	8	1,480.00	17,760.00	
	2%	30	9	1,480.00	17,760.00	
	2%	30	10	1,480.00	17,760.00	
	2%	30	11	1,480.00	17,760.00	
	2%	30	12	1,480.00	17,760.00	
	2%	30	13	1,480.00	17,760.00	
	2%	30	14	1,480.00	17,760.00	
	2%	30	15	1,480.00	17,760.00	
	2%	5	16	4,470.00	53,640.00	
	2%	5	17	4,470.00	53,640.00	
	2%	5	18	4,470.00	53,640.00	
	2%	5	19	4,470.00	53,640.00	
	2%	5	20	4,470.00	53,640.00	
<b>Total paid over life of loan</b>						499,080.00

From original deal w/ Marion Hand/ Marion Sr. Housing Ltd. Partnership

From Original deal w/ MSHLP/HAND

CARLILE PATCHEN & MURPHY LLP

MEMORANDUM

DATE: May 14, 1999

TO: Nancy Sitterley  
George Smith  
Steve Boone  
Hal Keller  
Susan Bruder  
Mark Russell  
Marlo Tannous  
Kathy McNeal  
Holly Heer

FROM: Carol Sheehan

RE: Priority of Project Mortgages

Based on consultation with Hal Keller, Marlo Tannous and Susan Bruder, my understanding of the agreed upon priority of mortgage financing is as follows:

1. Permanent Loan in the amount of \$900,000 to be secured by a first mortgage in favor of City and County of Marion.
2. UDAG Loan in the amount of \$100,000 to be secured by a second mortgage in favor of the City of Marion.
3. Existing Commercial Loan in the amount of \$100,000 to be secured by a third mortgage in favor of the City and County of Marion.
4. Existing Commercial Loan in the amount of \$400,000 to be secured by a fourth mortgage in favor of the City of Marion.
5. CDBG Discretionary Loan in the amount of \$237,000 to be secured by a fifth mortgage in favor of the City of Marion.
6. \$340,889 ODOD Direct Loan Interest Loan (amount is estimated) to be secured by a sixth mortgage in favor of ODOD.

CAS/SLM/376248.1  
021192.003

- ORIGINAL FILED
7. Equity Bridge financing to be provided in the amount of \$2,000,000 to be secured by a seventh mortgage in favor of OHFA.
  8. Existing Direct Loan in the amount of \$2,000,000, currently secured by a mortgage, to be subordinated to eighth mortgage position by ODOD.
  9. Marion H.A.N.D. mortgage in the amount of \$500,000 to be subordinated to ninth mortgage position.

It is my understanding that Mark Russell and Susan Bruder are preparing the necessary documentation attendant to the first, second, and third mortgages, and that they will prepare any needed subordination or other documentation attendant to the fourth and fifth mortgages.

Marlo Tannous will prepare documentation attendant to the sixth mortgage, as well as that attendant to the \$2,000,000 Direct Loan to be assigned to ODOD and subordinated.

Kathy McNeal is preparing the documentation attendant to the seventh mortgage Equity Bridge financing.

I will prepare the Subordination Agreement relevant to the existing Marion H.A.N.D. mortgage.

If my understanding of the priority of the mortgages is incorrect, please advise.

If Susan and Mark are in agreement with the stated priority, I ask that they provide the closing title agent this memorandum.



**Development  
Services Agency**

John R. Kasich, Governor

David Goodman, Director

*Evidence of forgiveness  
of HAND/ Marion Senior  
Limited Partnership loans  
converted to grants.*

July 18, 2013

The Honorable Scott Schertzer, Mayor  
City of Marion  
233 W. Center Street  
Marion, Ohio 43302-3643

Subject: Acceptance of City's proposal for sale of Harding Center/recapture of funds

Dear Mayor Schertzer:

The Office of Community Development (OCD) received a proposal from the City of Marion (City), dated July 18, 2013, for the recapture of funds from the sale of the Harding Center. OCD had awarded Community Development Block Grant (CDBG) and HOME Program funds to the City for the rehabilitation of the Harding Center during the period of 1995 to 1999. The City and Marion County also used CDBG Revolving Loan Fund (RLF) dollars to assist the project.

The project has not achieved positive cash flow as a senior housing development. A local developer, Lois Fisher and Associates, has offered to buy the building and convert the units to student housing. The City has reviewed pro forma for the new development and has requested OCD approve the following recapture schedule for the outstanding debt:

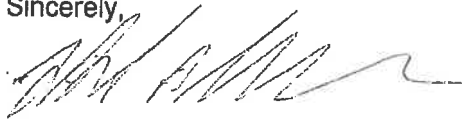
County Bond (Mortgage 1)	Note due July 1, 2019	Term- 5.34%/6.25 Years
City Bond (Mortgage 1)	Note due July 1, 2019	Term-5.34%/6.25 Years
County RLF (Mortgage 2)	Note due at Close of Sale	N/A
City RLF (Mortgage 2)	Note due at Close of Sale	
UDAG RLF (Mortgage 3)	Deferred until 2019	Term- 2%/20 Years
CDBG Economic Development (Mortgage 4)	Deferred until 2018	Term- 2%/20 Years
CDBG Discretionary (Mortgage 5)	Converted to Grant	N/A
Interest on Development Loan (Mortgage 6)	Converted to Grant	N/A
HOME (Mortgage 7)	Converted to Grant	N/A

City of Marion  
Page 2

OCD has also reviewed pro forma submitted for the development and will accept the City's proposal. Repayment will be required for the Economic Development Program loan at the rate and term specified above. The Discretionary Program and HOME Program loans will be converted to grants, as the project was determined to have met the national objective and affordability requirements.

Please continue to keep OCD apprised of project developments. OCD understands the importance of preserving this historical structure for the citizens of Ohio and appreciates the City's efforts to this effect.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Hiler", written over a light blue horizontal line.

Michael A. Hiler, Deputy Chief  
Office of Community Development

C: Ken Lengieza, Marion City/County RPC  
Mary R. Oakley, OCD  
Administrative Files

ORDINANCE NO. 1999- 38

**ORDINANCE AUTHORIZING THE MAYOR AND AUDITOR TO ENTER AGREEMENT TO PROVIDE FOR THE DELAYED REPAYMENT OF THE ED CDBG LOAN IN RELATION TO THE HARDING CENTRE FINANCING AND DECLARING AN EMERGENCY**

*By 1999 it was evident HAND could not pay all loans at same time*

WHEREAS, the Council finds it advantageous to authorize the Mayor and Auditor to enter into agreement providing for the delayed repayment of the ED CDBG loan in relation to the Harding Centre loan, and

WHEREAS, the Council has continued to support the project referred to in paragraph one above and whereas the delay of repayment will enable the project the best chance at meeting its' obligations,

BE IT ORDAINED by the City of Marion, Marion County, Ohio,

Section 1. The Mayor and Auditor are hereby authorized to enter into agreement providing for the delayed repayment of the ED CDBG loan in relation to the Harding Centre Project, this in order to, in part, reduce the City's current outstanding liability on the construction lending,

Section 2. Due to the nearing closing deadline and real need to complete the closing, the above is hereby declared to be an emergency measure necessary for the welfare of the City of Marion and the inhabitants thereof and shall take effect and be enforce immediately upon it's passage by two thirds vote of all members elected and by approval of the Mayor, otherwise it shall become effective from and after the earliest period allowed by law.

*Paul Vitaras*  
President

Passed: March 22, 1999  
Approved: March 23, 1999

*Jack L. Kellogg*  
Mayor

Attest:  
*Joan Steward*  
Clerk of Council

*ED To start payment on 7/01, they made 1st payment early in 2000 for 2001, no other payment in 2001.*

**Marion City Auditor**

233 W. Center St  
Marion, OH 43301-1822  
Voice: 740-383-4636  
Fax: 740-387-3433

In 2005 some of the loans (5<sup>th</sup> loan)  
Known as Discretionary for 237,200)

# Fax

To: Nancy  
From: Kathy J. Sherer, Deputy City Auditor  
Fax: 375-4502  
Pages: 3  
Phone:  
Date: 4/29/2005  
Re:

• Comments:

Delinq: 17,860 2004 Payment  
Discretionary Loan has been  
delinquent since 7/1/04

cc: Ken Lengieza, Marion County Regional Planning  
740-223-4149

*Paid out of 270*

*Paid in 274*

The City of Marion and MSHLP - Discretionary Program

~~Fund 274~~

Compound Period ..... Monthly

Nominal Annual Rate ..... 3.000 %  
Effective Annual Rate ..... 3.042 %  
Periodic Rate ..... 0.2500 %  
Daily Rate ..... 0.00822 %

*Payment to  
Begin 7/2004*

CASH FLOW DATA

Event	Start Date	Amount	Number	Period	End Date
1 Loan	05/26/1999	237,000.00	1		
2 Payment	07/01/1999	Interest Only	60	Monthly	06/01/2004
3 Loan	06/01/2004	35,550.00	1		
4 Rate	06/01/2004	Compound: Monthly		Rate: 4.000 %	
5 Payment	07/01/2004	1,301.20	300	Monthly	06/01/2029
6 Payment	07/01/2029	70,886.75	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Loan	Payment	Interest	Principal	Balance
Loan 05/26/1999	237,000.00				237,000.00
1 07/01/1999		709.67	709.67	0.00	237,000.00
2 08/01/1999		592.50	592.50	0.00	237,000.00
3 09/01/1999		592.50	592.50	0.00	237,000.00
4 10/01/1999		592.50	592.50	0.00	237,000.00
5 11/01/1999		592.50	592.50	0.00	237,000.00
6 12/01/1999		592.50	592.50	0.00	237,000.00
1999 Totals	237,000.00	3,672.17	3,672.17	0.00	
7 01/01/2000		592.50	592.50	0.00	237,000.00
8 02/01/2000		592.50	592.50	0.00	237,000.00
9 03/01/2000		592.50	592.50	0.00	237,000.00
10 04/01/2000		592.50	592.50	0.00	237,000.00
11 05/01/2000		592.50	592.50	0.00	237,000.00
12 06/01/2000		592.50	592.50	0.00	237,000.00
13 07/01/2000		592.50	592.50	0.00	237,000.00
14 08/01/2000		592.50	592.50	0.00	237,000.00
15 09/01/2000		592.50	592.50	0.00	237,000.00
16 10/01/2000		592.50	592.50	0.00	237,000.00
17 11/01/2000		592.50	592.50	0.00	237,000.00
18 12/01/2000		592.50	592.50	0.00	237,000.00
2000 Totals	0.00	7,110.00	7,110.00	0.00	
19 01/01/2001		592.50	592.50	0.00	237,000.00
20 02/01/2001		592.50	592.50	0.00	237,000.00
21 03/01/2001		592.50	592.50	0.00	237,000.00
22 04/01/2001		592.50	592.50	0.00	237,000.00
23 05/01/2001		592.50	592.50	0.00	237,000.00
24 06/01/2001		592.50	592.50	0.00	237,000.00
25 07/01/2001		592.50	592.50	0.00	237,000.00
26 08/01/2001		592.50	592.50	0.00	237,000.00



REPAYMENT CALCULATIONS FOR THE HARDING CENTER  
 MARION, OHIO

Repayment for the Community Development Block Grant (CDBG) Loan  
 would be in the following manner:  
 Years 1 and 2: Principle and interest payments deferred  
 Years 3 - 15: Principle payments amortized over 30 years at 2%  
 Years 16 - 20: Remaining principle amortized over 5 years at 2%

payment to  
 begin 7/2001  
 per ord. 1999-38

YEAR	YEARLY PAYMENT	PRINCIPLE PAYMENT	INTEREST PAYMENT	PRINCIPAL REMAININ
1		\$0	\$0	\$400,000
2		\$0	\$0	\$400,000
3	2001 \$17,860 7/26/00 - 7/31/00	\$9,860 7/26/00	\$8,000 7/26/00	\$390,140
4	\$17,860 7/10/02	\$10,057 7/27/00	\$7,803	\$380,083
5	\$17,860 1/20/05	\$10,258 -19/58 4/20/05	\$7,602	\$369,825
6	\$17,860	\$10,463	\$7,396	\$359,361
7	2005 \$17,860	\$10,673	\$7,187	\$348,688
8	\$17,860	\$10,886	\$6,974	\$337,802
9	\$17,860	\$11,104	\$6,756	\$326,698
10	\$17,860	\$11,326	\$6,534	\$315,372
11	\$17,860	\$11,553	\$6,307	\$303,820
12	2010 \$17,860	\$11,784	\$6,076	\$292,036
13	\$17,860	\$12,019	\$5,841	\$280,017
14	\$17,860	\$12,260	\$5,600	\$267,757
15	2013 \$17,860	\$12,505	\$5,355	\$255,252
16	2014 \$53,668	49,031 \$490,031	\$4,657	\$206,221
17	\$53,668	\$50,020	\$3,668	\$156,201
18	\$53,668	\$51,030	\$2,658	\$105,171
19	\$53,668	\$52,060	\$1,628	\$53,111
20	\$53,668	\$53,111	\$577	\$0

400,000.00      100,619.00

# Marion City/County

## REGIONAL PLANNING COMMISSION

222 W. CENTER ST., MARION, OHIO 43302-3646

PHONE (740) 223-4140  
FAX (740) 223-4149  
EMAIL regionalplanning@co.marion.oh.us

*Evidence that original owners  
March 2, 2009  
had difficulty making all payments*

Harding Centre Apartments  
RLJ Management Co., Inc.  
3021 E. Dublin Granville Rd. # 200  
Columbus, OH 43231

RE: Harding Centre Loans  
Discretionary Loan and Economic Development Loan  
(5th mortgage) (4th mortgage)

To whom it may concern:

Marion Senior Housing Ltd. Partnership has two loans that are to be paid once a year in July. In the event that Marion Sr. Housing cannot make full payments, the City of Marion has permitted a deferral until 2013, but asks that a \$100 payment per loan (total of \$200) to be submitted as a good faith attempt at the end of the year if annual payments can not be paid. Since we have not received the payments due in July, by the end of 2008, I would like to request that the good faith payments be made as soon as possible.

Please indicate if you will have difficulty making payments on these particular loans. Any payments should be made out to the City of Marion, care of the City Auditor's Office, 233 West Center St., Marion, OH 43302. Thank you for your assistance in this matter.

Sincerely yours,



Evelyn Warr-Cummings  
Assistant Director/Grant Coordinator

cc: City Auditor  
Law Director

Ordinance No. 2006-69

Passed JUL 10 2006 20

ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO AMEND THE EXISTING AGREEMENT BETWEEN THE CITY OF MARION AND THE MARION SENIOR HOUSING LIMITED PARTNERSHIP

WHEREAS, the City of Marion and Marion Senior Housing Limited Partnership have entered into an agreement as mentioned herein, and

WHEREAS, Marion Senior Housing Limited Partnership, in order to pay for needed repairs to the Harding Center, and to keep the building operating, has requested deferral on payments on two loans, but offering to make very minimal payments each year on each loan that the current financial situation exists with larger payments when possible as follows:

*about to pay \$100 each*

1. Payments due under the terms of the CDBG Economic Development Grant Mortgage from July 1, 2006 to December 31, 2013, unless objected to by the State of Ohio, department of Development. Said Mortgage is commonly referred to as the 4th Mortgage. The absolute minimum payment each year shall be \$100.00.

2. Payments due under the terms of the CDBG Discretionary Grant Mortgage from July 1, 2006 to December 31, 2013, unless objected to by the State of Ohio, Department of Development. Said Mortgage is commonly referred to as the 5th Mortgage. The absolute minimum payment each year shall be \$100.00.

BE IT ORDAINED by the Council of the City of Marion, Marion County, Ohio:

Section 1. The Mayor is hereby authorized to execute any and all documents necessary in order to defer the payments due under the above mentioned agreements, but, Marion Senior Housing Limited Partnership shall annually provide financial updates and information satisfactory to the City and if either the Mayor, Law Director, Development Director or the Ohio Department of Development feels there is adequate revenue to increase the payments, may recommend that City Council amend or suspend the deferral with the effective date of such amendment or suspension no sooner than 6 months from the date of City Council action.

Section 2. This Ordinance shall take effect and be in force from and after the earliest period allowed by law.

*Mich Thores*  
PRESIDENT OF COUNCIL  
Pro Tempore

APPROVED: JUL 11 2006

*Jack Kellogg*  
MAYOR

ATTEST:  
*Cathy Chapin*  
CLERK OF COUNCIL