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Eugene "Gene" Moore Fee: \$80.00
Cook County Recorder of Deeds
Date: 06/26/2003 10:08 AM Pg: 1 of 29

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Above Space for Recorder's Use Only

CITY OF CHICAGO

and

BNY MIDWEST TRUST COMPANY,
as Trustee

and

HYDE PARK REDEVELOPMENT ASSOCIATES LIMITED PARTNERSHIP,
an Illinois limited partnership,
as Owner

LAND USE RESTRICTION AGREEMENT

Dated as of June 1, 2003

Property of Cook County Clerk's Office

29

M.G.R. TITLE

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LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement"), entered into as of June 1, 2003, by and among the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), BNY MIDWEST TRUST COMPANY, an Illinois trust company, as trustee (the "Trustee") pursuant to the Trust Indenture between the Issuer and the Trustee entered into as of June 1, 2003 (the "Indenture"), and HYDE PARK REDEVELOPMENT ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership (the "Owner"),

WITNESSETH:

WHEREAS, the Issuer is issuing its Variable Rate Demand Multi-Family Housing Revenue Bonds (Hyde Park Redevelopment Limited Partnership Project), Series 2003 (the "Bonds"), for the purpose of loaning the proceeds thereof to the Owner by entering into a Agreement dated as of June 1, 2003 (the "Loan Agreement"), between the Issuer and the Owner, to pay a portion of the costs of financing the acquisition, equipping and rehabilitation, on the real property described on Exhibit A attached hereto, of a multi-family housing project to be located at 5330 South Harper Avenue, Chicago, Illinois (the "Project");

WHEREAS, in order to assure the Issuer and the owners of the Bonds that interest on the Bonds will be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and to further the public purposes of the Issuer, certain restrictions on the use and occupancy of the Project under the Code must be established;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner, the Issuer and the Trustee agree as follows:

Section 1. Term of Restrictions. (a) Occupancy Restrictions: The term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the later of the first day on which at least ten percent (10%) of the units in the Project are first occupied or the date the Bonds are issued, and shall end on the latest of (i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; (ii) the first date on which no tax-exempt bond (including any refunding bond) issued with respect to the Project is outstanding; or (iii) the date on which any housing assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates (which period is hereinafter referred to as the "Qualified Project Period").

(b) Rental Restrictions: The Rental Restrictions set forth in Section 4 hereof shall remain in effect during the Qualified Project Period set forth in paragraph (a) of this Section 1.

(c) Involuntary Loss or Substantial Destruction: The Occupancy Restrictions set forth in Section 3 hereof, and the Rental Restrictions set forth in Section 4 hereof, shall cease

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to apply to the Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency after the date of delivery of the Bonds, which prevents the Issuer and the Trustee from enforcing the Occupancy Restrictions and the Rental Restrictions, or condemnation or similar event, but only if, within a reasonable time period, (i) all of the Bonds are promptly retired, or amounts received as a consequence of such event are used to provide a new project which meets all of the requirements of this Agreement, which new project is subject to new restrictions substantially equivalent to those contained in this Agreement, and which is substituted in place of the Project by amendment of this Agreement; and (ii) an opinion from nationally recognized bond counsel (acceptable to the Issuer and the Trustee) is received to the effect that noncompliance with the Occupancy Restrictions and the Rental Restrictions as a result of such involuntary loss or substantial destruction resulting from an unforeseen event will not adversely affect the exclusion from the gross income of the owners thereof for purposes of federal income taxation of the interest on the Bonds; provided, however, that the preceding provisions of this paragraph shall cease to apply in the case of such involuntary noncompliance caused by foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period subsequent to such event the Owner or any Related Party (as defined in Section 147(a)(2) of the Code) obtains an ownership interest in the Project for federal income tax purposes.

(d) Termination: This Agreement shall terminate upon the earliest of (i) termination of the Occupancy Restrictions and the Rental Restrictions, as provided in paragraphs (a) and (b) of this Section 1; or (ii) delivery to the Issuer, the Trustee and the Owner of an opinion of nationally recognized bond counsel (acceptable to the Issuer and the Trustee) to the effect that continued compliance with the Rental Restrictions and Occupancy Restrictions is not required in order for interest on the Bonds to remain excludible from gross income for federal income tax purposes.

(e) Certification: Upon termination of this Agreement, in whole or in part, the Owner and the Issuer shall execute, and the Trustee shall acknowledge, and the parties shall cause to be recorded (at the Owner's expense), in all offices in which this Agreement was recorded, a certificate of termination, specifying which of the restrictions contained herein has terminated, and the portion of the Project to which such termination relates.

Section 2. Project Restrictions. The Owner represents, warrants and covenants that:

(a) The Owner has reviewed the provisions of the Code and the Treasury Regulations thereunder (the "Regulations") applicable to this Agreement (including, without limitation, Section 142(d) of the Code and Section 1.103-8(b) of the Regulations) with its counsel and understands said provisions.

(b) The Project is being acquired, rehabilitated and equipped for the purpose of providing a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) and will, during the term of the Rental Restrictions and Occupancy Restrictions hereunder, continue to constitute a "qualified residential rental project" under Section 142(d) of

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the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto. The Owner shall own the entire Project for federal tax purposes.

(c) At least 95% of the Project will consist of a "building or structure" (as defined in Section 1.103-8(b)(8)(iv) of the Regulations), or several proximate buildings or structures of similar construction, each containing one or more similarly constructed residential units (as defined in Section 1.103-8(b)(8)(i) of the Regulations) located on a single tract of land or contiguous tracts of land (as defined in Section 1.103-8(b)(4)(ii)(b) of the Regulations), which will be owned, for federal tax purposes, at all times by the same person, and financed pursuant to a common plan (within the meaning of Section 1.103-8(b)(4)(ii) of the Regulations), together with functionally related and subordinate facilities (within the meaning of Section 1.103-8(b)(4)(iii) of the Regulations). Each such building or structure shall contain five (5) or more similarly constructed units.

(d) The Owner or an Affiliated Party of the Owner shall not occupy any of the units in the Project; provided, however, that the Owner or an Affiliated Party of the Owner may occupy a unit in a building or structure in the Project that contains five (5) or more units if the Owner or an Affiliated Party of the Owner is a resident manager or other necessary employee (e.g., maintenance and security personnel). An Affiliated Party of the Owner is a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (ii) such persons are members of the same controlled group of corporations as defined in Section 1563(e) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein.

(e) None of the residential units in the Project will at any time be used on a transient basis, nor will the Project itself be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court for use on a transient basis.

(f) In no event will continual or frequent nursing, medical or psychiatric services be made available at the Project, within the meaning of IRS Revenue Ruling 98-47, 1998-2 C.B. 399, or any successor thereto.

(g) All of the residential units in the Project will be leased, rented, or available for lease or rental on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), subject, however, to the requirements of Section 3(a) hereof. Each Qualifying Tenant (as hereinafter defined) occupying a residential unit in the Project shall be required to execute a written Lease Agreement with a stated term of not less than thirty (30) days nor more than one (1) year.

(h) Any functionally related and subordinate facilities (e.g., parking areas, swimming pools, tennis courts, etc.) which are financed by the Bonds and are included as part of the Project will be of a character and size commensurate with the character and size of the Project, and will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in the surrounding area (i.e., within a one-mile radius of the

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Project) and then only in amounts commensurate with the fees being charged at similar residential rental properties within such area. In any event, any fees charged will not be discriminatory or exclusionary as to the Qualifying Tenants (as defined in Section 3 hereof). No functionally related and subordinate facilities will be made available to persons other than tenants or their guests.

(i) Each residential unit in the Project will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family.

(j) No portion of the Project will be used to provide any health club facility, any facility primarily used for gambling, or any store, the principal business of which is the sale of alcoholic beverages for consumption off premises, in violation of Section 147(e) of the Code.

Section 3. Occupancy Restrictions. The Owner represents, warrants and covenants that:

(a) Pursuant to the election of the Issuer and the Owner in accordance with the provisions of Section 147(a)(1)(B) of the Code, at all times during the Qualified Project Period at least forty percent (40%) of the completed residential units in the Project shall be continuously occupied (or treated as occupied as provided herein) or held available for occupancy by Qualifying Tenants as herein defined. For purposes of this Agreement, "Qualifying Tenants" means individuals or families whose aggregate adjusted incomes do not exceed sixty percent (60%) of the applicable median gross income (adjusted for family size) for the area in which the Project is located, as such income and area median gross income are determined by the Secretary of the United States Treasury in a manner consistent with determinations of income and area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such determination).

(b) Prior to the commencement of occupancy of any unit to be occupied by a Qualifying Tenant, the prospective tenant's eligibility shall be established by execution and delivery by such prospective tenant of an Income Computation and Certification in the form attached hereto as Exhibit B (the "Income Certification") evidencing that the aggregate adjusted income of such prospective tenant does not exceed the applicable income limit. In addition, such prospective tenant shall be required to provide whatever other information, documents or certifications are reasonably deemed necessary by the Owner or the Issuer to substantiate the Income Certification.

(c) Not less frequently than annually, the Owner shall determine whether the current aggregate adjusted income of each tenant occupying any unit being treated by the Owner as occupied by a Qualifying Tenant exceeds the applicable income limit. For such purpose the Owner shall require each such tenant to execute and deliver to the Owner the Income Certification attached hereto as Exhibit B.

(d) Any unit vacated by a Qualifying Tenant shall be treated as continuing to be occupied by such tenant until reoccupied, other than for a temporary period not to exceed

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thirty-one (31) days, at which time the character of such unit as a unit occupied by a Qualifying Tenant shall be redetermined.

(e) If an individual's or family's income exceeds the applicable income limit as of any date of determination, the income of such individual or family shall be treated as continuing not to exceed the applicable limit; provided that the income of an individual or family did not exceed the applicable income limit upon commencement of such tenant's occupancy or as of any prior income determination; and provided, further, that if any individual's or family's income as of the most recent income determination exceeds one hundred and forty percent (140%) of the applicable income limit, such individual or family shall cease to qualify as a Qualifying Tenant if, prior to the next income determination of such individual or family, any unit in the Project of comparable or smaller size to such individual's or family's unit is occupied by any tenant other than a Qualifying Tenant.

(f) For purposes of satisfying the requirement that 40% of the completed residential units be occupied by Qualifying Tenants, the following principles shall apply: (i) at the time 10% of the residential units in the Project are occupied, 40% of such units must be occupied by Qualifying Tenants; and (ii) after 10% of the residential units in the Project are occupied, non-Qualifying Tenants may occupy units in the Project in the number set forth in Exhibit D hereto, but only if the Qualifying Tenants' occupancies predate the non-Qualifying Tenants' occupancies.

(g) The Lease Agreement to be utilized by the Owner in renting any residential units in the Project to a prospective Qualifying Tenant shall provide for termination of the Lease Agreement and consent by such person to eviction following thirty (30) days' notice, subject to applicable provisions of Illinois law (including for such purpose all applicable home rule ordinances), for any material misrepresentation made by such person with respect to the Income Certification with the effect that such tenant is not a Qualifying Tenant.

(h) All Income Certifications will be maintained on file at the Project so long as any Bonds are outstanding and for five (5) years thereafter with respect to each Qualifying Tenant who occupied a residential unit in the Project during the period the restrictions hereunder are applicable, and the Owner will, promptly upon receipt, file a copy thereof with the Issuer, and at the written request of the Trustee.

(i) On the first day of the Qualified Project Period, on the fifteenth days of January, April, July and December of each year during the Qualified Project Period, and within thirty (30) days after the final day of each month in which there occurs any change in the occupancy of a residential unit in the Project, the Owner will submit to the Issuer and the Trustee the "Certificate of Continuing Program Compliance," in the form attached hereto as Exhibit C, executed by the Owner.

(j) The Owner shall submit to the Secretary of the United States Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code. Failure to comply with such requirement may subject the Owner to the penalty provided in Section 6652(j)

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of the Code. The Owner shall submit a copy of each such annual certification to the Issuer and the Trustee.

Section 4. Rental Restrictions. The Owner represents, warrants and covenants that once available for occupancy, each residential unit in the Project will be rented or available for rental on a continuous basis to members of the general public (other than (a) units for a resident manager or maintenance personnel and (b) units for Qualifying Tenants as provided for in Section 3 hereof).

Section 5. Transfer Restrictions. The Owner covenants and agrees that, except as provided in the last sentence of this Section 5, no conveyance, transfer, assignment or any other disposition of title to the Project (a "Transfer"), shall be made prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder, unless the transferee pursuant to the Transfer assumes in writing, in a form reasonably acceptable to the Issuer and the Trustee, all of the executory duties and obligations hereunder of the Owner, including this Section 5, and agrees to cause any subsequent transferee to assume such duties and obligations in the event of a subsequent Transfer by the transferee prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder (the "Assumption Agreement"). The Owner shall deliver the Assumption Agreement to the Issuer and the Trustee at least thirty (30) days prior to a proposed Transfer.

Section 6. Enforcement. (a) The Owner shall permit all duly authorized representatives of the Issuer or the Trustee to inspect any books and records of the Owner regarding the Project and the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(b) In addition to the information provided for in Section 3(i) hereof, the Owner shall submit any other information, documents or certifications reasonably requested by the Issuer or the Trustee which the Issuer or the Trustee deems reasonably necessary to substantiate continuing compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(c) The Issuer, the Trustee and the Owner each covenants that it will not take or permit to be taken any action within its control that it knows would adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Moreover, the Issuer and the Owner covenant to take any lawful action within their control and the Trustee covenants to take any lawful action it is directed, in writing, to take by the Owner, the Issuer or nationally recognized bond counsel (including amendment of this Agreement as may be necessary, in the opinion of nationally recognized bond counsel acceptable to the Issuer and the Trustee) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Project.

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(d) The Owner covenants and agrees to inform the Issuer and the Trustee by written notice of any violation of its obligations hereunder within five (5) days of first discovering any such violation. If any such violation is not corrected to the satisfaction of the Issuer within the period of time specified by the Issuer, which shall be (A) the lesser of (i) forty-five (45) days after the effective date of any notice to or from the Owner, or (ii) sixty (60) days from the date such violation would have been discovered by the Owner by the exercise of reasonable diligence, or (B) such longer period as is specified in an opinion of nationally recognized bond counsel (acceptable to the Issuer and the Trustee), and as in such opinion will not result in the loss of such exclusion of interest on the Bonds, without further notice, the Issuer shall declare a default under this Agreement effective on the date of such declaration of default, and the Issuer or the Trustee (at the written direction of the Issuer) shall apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct noncompliance with this Agreement.

(e) The Owner, the Issuer and the Trustee each acknowledges that the primary purpose for requiring compliance with the restrictions provided in this Agreement is to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and that the Issuer and the Trustee, on behalf of the owners of the Bonds, who are declared to be third-party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder, which in the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

(f) In the enforcement of this Agreement, the Issuer and the Trustee may rely on any certificate delivered by or on behalf of the Owner or any tenant with respect to the Project.

(g) Nothing in this Section shall preclude the Issuer or the Trustee from exercising any remedies they might otherwise have, by contract, statute or otherwise, upon the occurrence of any violation hereunder, which in the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Section 7. Covenants to Run With the Land. The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Agreement. The Issuer, the Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Owner's successors in title to the Project throughout the term of this Agreement. Each and every contract, deed, mortgage, lease or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (excluding any transferee of a limited partnership interest in the Owner) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants,

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reservations and restrictions are set forth in such contract, deed, mortgage, lease or other instrument.

Section 8. Recording. The Owner shall cause this Agreement and all amendments and supplements hereto to be recorded in the conveyance and real property records of Cook County, Illinois, and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

Section 9. Concerning the Trustee.

(a) The Trustee is executing and delivering this Agreement solely for the purposes of acknowledging the matters set forth herein, and being bound to undertake only those duties and responsibilities specifically set forth with respect to the Trustee. With respect to matters set forth in the remaining Sections of this Agreement, the Trustee has made no investigation, makes no representation and undertakes no duties or responsibilities. No implied duties or responsibilities may be read into this Agreement against the Trustee, and the Trustee shall be entitled to the protections, privileges, exculpation and indemnities contemplated under the Indentures.

(b) In determining whether any default or lack of compliance by the Owner exists under this Agreement, the Trustee shall not be required to conduct any investigation into or review the operations or records of the Owner and, absent actual knowledge of any default or noncompliance, may assume compliance by the Owner with this Agreement unless otherwise specifically notified in writing.

(c) The permissive right of the Trustee to take actions permitted by this Agreement shall not be construed as an obligation or duty to do so.

(d) The Trustee shall be under no duty to confirm or verify any financial or other statements, reports or certificates furnished pursuant to any provisions hereof, and shall be under no other duty in respect of same except to retain the same in its files and permit the inspection of same at reasonable times by the Issuer.

(e) The Trustee has the right to appoint agents to carry out any of its duties and obligations hereunder, and shall, upon request, certify in writing to the other parties hereto any such agency appointment.

Section 10. No Conflict With Other Documents. The Owner warrants and covenants that it has not and will not execute any other agreement with provisions inconsistent or in conflict with the provisions hereof (except documents that are subordinate to the provisions hereof), and the Owner agrees that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth, which supersede any other requirements in conflict herewith.

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Section 11. Interpretation. Any terms not defined in this Agreement shall have the same meaning as terms defined in the Indenture, the Loan Agreement or Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

Section 12. Amendment. This Agreement may be amended by the parties hereto to reflect changes in Section 142(d) of the Code, the regulations hereafter promulgated thereunder and revenue rulings promulgated thereunder, or in the interpretation thereof, subject to an opinion of nationally recognized bond counsel that such amendment will not adversely affect the exclusion of the interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation.

Section 13. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 14. Notices. Any notice, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first day after being sent by telegram, or on the third day after being deposited in United States registered or certified mail, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address the party to receive such notice may have designated to all other parties by notice in accordance herewith:

If to the Issuer:

City of Chicago
 Department of Housing
 318 South Michigan Avenue
 Chicago, Illinois 60604
 Attention: Commissioner, Department of Housing

With a copy to:

City of Chicago
 Office of the Corporation Counsel
 City Hall, Room 600
 121 North LaSalle Street
 Chicago, Illinois 60602
 Attention: Finance and Economic Development Division

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City of Chicago
Office of the City Comptroller
Department of Finance
33 North LaSalle Street, 6th Floor
Chicago, Illinois 60602
Attention: Comptroller

If to the Trustee: BNY Midwest Trust Company
2 North LaSalle Street
Suite 1020
Chicago, Illinois 60602
Attention: Daryl Pomykala

If to the Owner: Hyde Park Redevelopment Associates Limited Partnership
c/o DRE, Inc.
800 South Milwaukee Avenue
Suite 170
Libertyville, Illinois 60048
Attention: Dennis Egidi

With a copy to:

Krasnow, Sanberg, Cornblath & Hobbs
500 North Dearborn Street
Second Floor
Chicago, Illinois 60610
Attention: Henry Krasnow

Newbanks Law Firm LLC
6934 Miami Avenue
Suite 9
Cincinnati, Ohio 45243
Attention: Ronal Newbanks

Section 15. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, and where applicable, the laws of the United States of America.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

[SEAL]

CITY OF CHICAGO,
as Issuer

Attest:

By:

James J. Laski
City Clerk

By:

Tariq Malhance
Tariq Malhance, City Comptroller

HYDE PARK REDEVELOPMENT ASSOCIATES
LIMITED PARTNERSHIP,
an Illinois limited partnership

By: DRE INC.,
an Illinois corporation
and its general partner;

By:

Dennis R. Egan
President

BNY MIDWEST TRUST COMPANY,
as Trustee

By: _____

Its: _____

[SEAL]

Attest:

By: _____

Its: _____

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

[SEAL]

CITY OF CHICAGO,
as Issuer

Attest:

By: _____
City Clerk


By: _____
Tariq Malhance, City Comptroller

HYDE PARK REDEVELOPMENT ASSOCIATES
LIMITED PARTNERSHIP,
an Illinois limited partnership

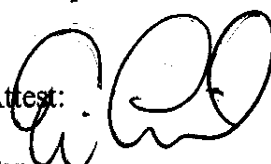
By: DRE INC.,
an Illinois corporation
and its general partner;

By: _____
President

BNY MIDWEST TRUST COMPANY,
as Trustee

By: 
Its: Assistant Vice President

[SEAL]

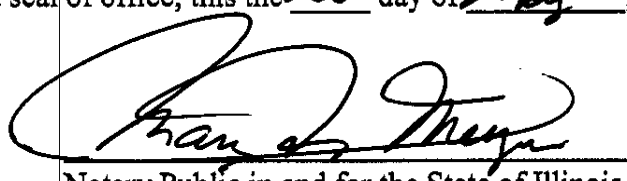
Attest: 
By: _____
Its: Assistant Secretary

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STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared Tariq Malhance and James J. Laski, Comptroller and City Clerk, respectively, of the City of Chicago, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that each executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Issuer.

GIVEN UNDER MY HAND and seal of office, this the 23 day of May, 2000



Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:

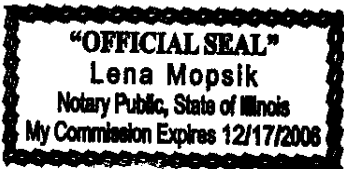


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STATE OF ILLINOIS)
) ss:
 COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared Daryl Pomykala, of BNY Midwest Trust Company, an Illinois trust company (the "Trustee"), known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Assistant Vice President of said Trustee and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Trustee.

GIVEN UNDER MY HAND and seal of office, this the 26th day of June, 2003.



Lena Mopsik

 Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:

12/17/06

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STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared Dennis R. Egidi, of DRE Inc., an Illinois corporation, the General Partner of Hyde Park Redevelopment Associates Limited Partnership, an Illinois limited partnership (the "Owner"), known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the President of said General Partner and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Owner.

GIVEN UNDER MY HAND and seal of office, this the 26th day of June, 2003.

Maureen A. Drews

Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:



Property of Cook County Clerk's Office

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EXHIBIT A: LEGAL DESCRIPTION

Legal Description of Premises: Lot 7 and the north 22 feet of Lot 8 in Block 30 in Hyde Park, a subdivision of the east $\frac{1}{2}$ of the southeast $\frac{1}{4}$ and the east $\frac{1}{2}$ of the northeast $\frac{1}{4}$ of Section 11 and the north part of the southwest fractional $\frac{1}{4}$ of section 12 and the northeast $\frac{1}{4}$ of the northeast principal meridian, recorded May 8, 1857, as Document 85568, in Cook County, Illinois. Lying east of the 3rd principal meridian in Cook County, Illinois.

Address Commonly Known as: 5330 South Harper Avenue
Chicago, Illinois

Permanent Index No.: 20-11-47-019-000

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EXHIBIT B: INCOME COMPUTATION AND CERTIFICATION¹

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR Part 5). You should make certain that this form is at all times up to date with HUD Regulations. All capitalized terms used herein shall have the meanings set forth in the Land Use Restriction Agreement, dated as of June 1, 2003, among Hyde Park Redevelopment Associates Limited Partnership (the "Owner"), the City of Chicago and BNY Midwest Trust Company, as Trustee.

Re: Hyde Park Redevelopment Limited Partnership Project
5330 South Harper Avenue
Chicago, Illinois

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made. Listed below are the names of all persons who intend to reside in the unit:

1.	2.	3.	4.	5.
Name of Members of the Household	Relationship to Head of Household	Age	Social Security Number	Place of Employment
	HEAD			
	SPOUSE			

6. Total Anticipated Income. The total anticipated income, calculated in accordance with this paragraph 6, of all persons listed above for the 12-month period beginning the date that I/we plan to move into a unit (*i.e.*, _____) is \$_____.

Included in the total anticipated income listed above are:

- (a) the full amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (b) the net income from operation of a business or profession or net income from real or personal property (without deducting expenditures for business expansion or

¹ The form of Income Computation and Certification shall be conformed to any amendments made to 24 CFR Part 5, or any regulatory provisions promulgated in substitution therefor.

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amortization or capital indebtedness); an allowance for depreciation of capital assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; include any withdrawal of cash or assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons;

- (c) interest and dividends (see 7(C) below);
- (d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;
- (e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;
- (f) the amount of any public welfare assistance payment; if the welfare assistance payment includes any amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - (i) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus
 - (ii) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities (if the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph 6(f)(ii) shall be the amount resulting from one application of the percentage);
- (g) periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and
- (h) all regular pay, special pay and allowances of a member of the Armed Forces.

Excluded from such anticipated total income are:

- (a) income from employment of children (including foster children) under the age of 18 years;
- (b) payments received for the care of foster children or foster adults;

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- (c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (e) income of a live-in aide;
- (f) the full amount of student financial assistance paid directly to the student or to the educational institution;
- (g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h) amounts received under training programs funded by the Department of Housing and Urban Development ("HUD");
- (i) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (k) a resident service stipend in a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Owner, on a part-time basis, that enhances the quality of life in the Project, including, but not limited to, fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination (no resident may receive more than one stipend during the same period of time);
- (l) compensation from state or local employment training programs and training of a family member as resident management staff, which compensation is received under employment training programs (including training programs not affiliated with a local government) with clearly defined goals and objectives, and which compensation is excluded only for the period during which the family member participates in the employment training program;
- (m) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (n) earnings in excess of \$480 for each full-time student, 18 years or older, but excluding the head of household and spouse;
- (o) adoption assistance payments in excess of \$480 per adopted child;

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(p) deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

(q) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(r) amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

(s) temporary, nonrecurring or sporadic income (including gifts); and

(t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

7. Assets. (A) Do the persons whose income or contributions are included in Item 6 above:

(i) have savings, stocks, bonds, equity in real property or other forms of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles, equity in HUD homeownership programs, and interests in Indian trust land)? _____ Yes _____ No.

(ii) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? _____ Yes _____ No.

(B) If the answer to (i) or (ii) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000? _____ Yes _____ No.

(C) If the answer to (B) above is yes, state:

(i) the total value of all such assets: \$ _____,

(ii) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy of the unit that you propose to rent: \$ _____, and

(iii) the amount of such income, if any, that was included in Item 6 above: \$ _____.

8. Full-Time Students. (a) Are all of the individuals who propose to reside in the unit full-time students? _____ Yes _____ No.

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A full-time student is an individual who during each of 5 calendar months during the calendar year in which occupancy of the unit begins is a full-time student at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or an individual pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, are at least 2 of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return? Yes _____
No _____

9. Relationship to Project Owner. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Owner"), has any family relationship to the Owner, or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member; ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

10. Reliance. This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit and is relevant to the status under federal income tax law of the interest on bonds issued to provide financing for the apartment development for which application is being made. I/We consent to the disclosure of such information to the issuer of such bonds, the holders of such bonds, any trustee acting on their behalf and any authorized agent of the Treasury Department or the Internal Revenue Service. I/We declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable, and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. Further Assistance. I/We will assist the Owner in obtaining any information or documents required to verify the statements made herein, including, but not limited to, either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding two calendar years.

12. Misrepresentation. I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit, and may entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

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I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this ____ day of _____ in _____, Illinois.

Applicant

Applicant

Applicant

Applicant

[Signature of all persons over the age of 17 years listed in number 2 above required.]

SUBSCRIBED AND SWORN to before
me this ____ day of _____, 200__

(NOTARY SEAL)

Notary Public in and for the State of _____

My Commission Expires: _____

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. Calculation of eligible income:

a. Enter amount entered for entire household in 6 above: \$ _____

b. (1) if the amount entered in 7(C)(i) above is greater than \$5,000, enter the total amount entered in 7(C)(ii), subtract from that figure the amount entered in 7(C)(iii) and enter the remaining balance (\$ _____);

(2) multiply the amount entered in 7(C)(i) times the current passbook savings rate as determined by HUD to determine what the total annual earnings on the amount in 7(C)(i) would be if invested in passbook savings (\$ _____), subtract from that figure the amount entered in 7(C)(iii) and enter the remaining balance (\$ _____); and

(3) enter at right the greater of the amount calculated under (1) or (2) above: \$ _____

c. TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b(3)):

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2. The amount entered in 1.c is:

_____ Less than 60% of Median Gross Income for Area.²

_____ More than 60% of Median Gross Income for the Area.³

3. Number of apartment unit assigned: _____

Bedroom Size: _____ Rent: \$ _____

4. The past tenants of this apartment unit for a period of at least 30 consecutive days [had/did not have] aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, of less than 60% of Median Gross Income for the Area.

5. Method used to verify applicant(s) income:

_____ Employer income verification.

_____ Copies of tax returns.

_____ Other (_____)

Owner or Manager

² "Median Gross Income for the Area" means the median income for the area where the Project is located as determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or if programs under Section 8 are terminated, median income determined under the method used by the Secretary prior to the termination. "Median Gross Income for the Area" shall be adjusted for family size.

³ See footnote 2.

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INCOME VERIFICATION (for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the City of Chicago. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages

Overtime

Bonuses

Commissions

Total current income

I hereby certify that the statements above are true and complete to the best of my knowledge.

Signature

Date

Title

I hereby grant you permission to disclose my income to Hyde Park Redevelopment Associates Limited Partnership, an Illinois limited partnership, in order that it may determine my income eligibility for rental of an apartment located in its project which has been financed by the City of Chicago.

Signature

Date

Please send to:

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INCOME VERIFICATION (for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding two calendar years and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Signature

Date

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EXHIBIT C: CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, a _____ of Hyde Park Redevelopment Associates Limited Partnership, an Illinois limited partnership (the "Owner"), hereby certifies as follows:

1. The undersigned has read and is thoroughly familiar with the provisions of the Land Use Restriction Agreement, dated as of June 1, 2003, among the Owner, the City of Chicago and BNY Midwest Trust Company, as Trustee (the "Land Use Restriction Agreement").

2. Based on Income Computations and Certifications on file with the Owner, as of the date of this Certificate the following number of completed residential units in the Project (i) are occupied by Qualifying Tenants (as such term is defined in the Land Use Restriction Agreement), or (ii) were previously occupied by Qualifying Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days:

Occupied by Qualifying Tenants¹: _____ No. of Units

Previously occupied by Qualifying Tenants
(vacant and not reoccupied except for a
temporary period of no more than 31 days) _____ No. of Units

3. The total number of completed residential units in the Project is _____.

4. No default has occurred and is subsisting under the Land Use Restriction Agreement.

**HYDE PARK REDEVELOPMENT
ASSOCIATES LIMITED PARTNERSHIP,**
an Illinois limited partnership

By: **DRE, INC.,**
an Illinois corporation,
its general partner

By: _____
Dennis R. Eglidi
Its President

¹ A unit all of the occupants of which are full-time students does not qualify as a unit occupied by Qualifying Tenants, unless one or more of the occupants was entitled to file a joint tax return.

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EXHIBIT D: RATABLE RENT-UP SCHEDULE

Total Units Occupied

Qualifying Units

1-5	2
6-10	4
11-15	6
16-20	8
21-25	10
26-30	12
31-35	14
36-40	16
41-45	18
46-50	20
51-55	22
56-60	24
61-65	26
66-70	28
71-73	30

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