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This document prepared by
and when recorded return to:
Magali Matarazzi, Esq
Office of Corporation Counsel
Room 600
121 North LaSalle Street
Chicago, Illinois 60602

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT entered into and effective this 1st day of August, 2005 (this "Regulatory Agreement"), by and between the City of Chicago, Illinois (the "City"), an Illinois municipal corporation, by and through its Department of Housing ("DOH"), with offices at 33 North LaSalle Street, 2nd Floor, Chicago, Illinois 60602, and The North Washington Park Partnership, an Illinois limited partnership (the "Borrower"), and Plaza on the Park, LLC, an Illinois limited company and the general partner of the Borrower (the "General Partner").

Box 430

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WITNESSETH

WHEREAS, DOH is an executive department of the City established pursuant to Title 2 of the Municipal Code of Chicago, Chapter 2-44, Section 2-44-010, which supervises and coordinates the formulation and execution of projects and programs creating safe, decent and affordable housing for residents of the City; and

WHEREAS, the City loaned a sum (hereinafter referred to as the "Loan") of funds to the Borrower for the purposes set forth below, and requested that DOH administer the Loan; and

WHEREAS, the Borrower utilized the Loan proceeds in connection with the Project (as legally described on Exhibit A attached hereto and hereby made a part hereof and as further defined on Exhibit B attached hereto and hereby made a part hereof); and

WHEREAS, the Borrower has requested that DOH approve a proposed restructuring of the Loan and DOH has agreed to restructure the Loan in a manner that (1) will approve the acquisition of the general partner interests in the Borrower by the General Partner; (2) will approve the transfer of title from a land trust to the Borrower and the assumption by the Borrower of all of the obligations of the Trustee under the Loan Documents; and (3) will approve the subordination of the Mortgage to one or more liens securing a refinanced senior loan, pursuant to an amendment to the Loan Documents (the "First Amendment to City Loan Documents and Subordination Agreement"); and

WHEREAS, as a specific condition precedent to the City entering into the First Amendment to City Loan Documents and Subordination Agreement, the Borrower has agreed to execute this Regulatory Agreement with the City governing the use of the Project;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Borrower and the City each agree as follows:

SECTION 1 DEFINITIONS AND INTERPRETATIONS.

Additional definitions on Exhibit B hereto are hereby incorporated in this Section 1 by reference.

The following terms shall have the respective meaning assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

"Affirmative Marketing Plan" shall mean the affirmative marketing plan submitted by the Borrower and approved by DOH. So long as HUD insures a mortgage loan with respect to the Project, any Affirmative Marketing Plan the Borrower submits to, and is approved by HUD shall be deemed approved by DOH.

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"Affordable Rent" shall mean 30 percent of the adjusted income of a family whose gross income equals 80 percent of the median income for the Chicago area, with adjustment for the number of bedrooms in the unit (as determined by HUD), as such adjusted income and Chicago-area median income are determined from time to time by HUD, less Utilities.

"Annual Report" shall mean the report from the Borrower in substantially the form set forth in Exhibit C attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Borrower" shall mean, initially, The North Washington Park Partnership, an Illinois limited partnership, and at any subsequent time of reference, the Person or Persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

"Business Day" shall mean a day on which banks in the City of Chicago, Illinois are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State or any ordinance or resolution of the City of Chicago, Illinois.

"City" shall mean the City of Chicago, Illinois, an Illinois municipal corporation, and its successors and assigns.

"Conversion Date" shall mean the date upon which all the units of the Project have been converted to condominiums.

"DOH" shall mean the Department of Housing of the City, and any successor to said Department.

"First Reporting Date" shall mean the date exactly 3 months after the date of execution of the First Amendment to City Loan Documents and Subordination Agreement.

"Foreclosure Date" shall mean the date of a Transfer.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"IHDA Regulatory Agreement" shall mean that certain Regulatory Agreement as to Tax Exemption, dated as of February 14, 1986, as amended on the date hereof, and as hereafter amended, supplemented and restated from time to time

"Inspection Period" shall mean a period beginning on the First Reporting Date and ending on Termination Date.

"Last Reporting Date" shall mean the first January 1 following the end of the Project Term.

"Loan Agreement" shall mean the Loan Commitment, dated February 1, 1986, between the City and the Trustee with respect to the Loan, as amended on the date hereof with the Borrower assuming the rights and obligations of the Trustee, and as hereafter amended, supplemented and restated from time to time.

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"Loan Documents" shall have the meaning given to such term in the Loan Agreement.

"Low-Income Family" shall mean and include families whose annual income does not exceed 80 percent of the Chicago-area median income, adjusted for family size, as such annual income and Chicago-area median income are determined from time to time by HUD.

"Mortgage" shall mean that certain Junior Mortgage, Security Agreement and Financing Statement, dated February 28, 1986 from the Trustee to the City, as amended on the date hereof with the Borrower assuming the rights and obligations of the Trustee, and as hereafter amended, supplemented and restated from time to time.

"Multi-Family Program" shall mean the Multi-Family Loan Program of DOH.

"People" shall have the meaning assigned to such term in Section 2.20 hereof.

"Persons" shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project Term" shall mean the number of years during which the Project must comply with this Regulatory Agreement. The Project Term shall begin on the First Reporting Date and shall continue, except as provided in Sections 2.15, 2.16 and 15 hereof, through and including the Termination Date, and shall end on the Termination Date.

"Regulatory Agreement" shall mean this Regulatory Agreement, as supplemented, amended and restated from time to time.

"Repayment Date" shall mean the date as of which the principal of and interest, if any, on the Loan and all other amounts due and payable to the City under the Loan Documents shall have been paid in full (or deemed by the City in its sole discretion to have been paid in full).

"State" shall mean the State of Illinois.

"Tenant Certification" shall mean the certification in substantially the form set forth in Exhibit D attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Termination Date" shall mean the earlier of (a) a Foreclosure Date, (b) the Repayment Date or (c) the Conversion Date.

"Transfer" shall mean the transfer of the Project (a) by foreclosure of the Senior Mortgage (or, if the City so elects, of the Mortgage), (b) by an instrument in lieu of foreclosure of the Senior Mortgage (or, if the City so elects, of the Mortgage) or (c) by sale of units after conversion to condominiums.

"Trustee" shall mean LaSalle Bank National Association, formerly LaSalle National Bank, not in its individual capacity, but solely as trustee under that certain trust agreement, dated November 11, 1985 and known as Trust No. 110523.

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"Utilities" shall mean the monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings given such terms in the Loan Agreement.

SECTION 2 BORROWER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Borrower hereby represents, warrants, covenants and agrees as follows during the Project Term:

2.1 The Project was acquired and rehabilitated for the purpose of providing residential rental property, and the Borrower shall own, manage and operate the Project as residential rental units and facilities functionally related and incidental thereto.

2.2 The Project shall consist of residential units, together with facilities functionally related and incidental thereto, and which units are similar in quality and type of construction and amenities.

2.3 Each unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

2.4 None of the units in the Project shall at any time be used on a transient basis, and neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

2.5 The units in the Project shall be made available for lease by members of the general public and the Borrower shall not give preference in renting units in the Project to any particular class or group of individuals other than Low-Income Families as provided herein and as provided in the IHDA Regulatory Agreement.

2.6 The Borrower shall not convert any units in the Project to condominium ownership or to any form of cooperative ownership without the prior written consent of DOH; provided, however, that DOH hereby consents to the conversion of the Project to condominium ownership at any time after the expiration of the restrictions in the IHDA Regulatory Agreement; provided that the Borrower and the City execute an amendment to the City Loan Documents detailing the terms and conditions of the conversion.

2.7 The Borrower shall not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, State or local housing assistance program or on the basis that they have a minor child or children who will be residing with them.

2.8 All of the units in the Project shall be and shall remain suitable for occupancy during the Project Term.

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2.9 All of the units in the Initial Low-Income Project shall be leased only to tenants who are Low-Income Families at the time of initial occupancy by such Low-Income Families, and all of the units in the Low-Income Project shall be leased only to tenants who are Low-Income Families at the time of the initial occupancy by such Low-Income Families.

2.10 Until such time as the City releases such unit from the encumbrance created by this Regulatory Agreement, the rent charged each month for any unit in the Initial Low-Income Project and the Low-Income Project shall not exceed at any time the Affordable Rent for such unit.

2.11 The Borrower shall include in leases for all units provisions which authorize the Borrower to immediately terminate the tenancy of any tenant who misrepresented any fact material to the tenant's qualification as a Low-Income Family.

2.12 All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. If the Borrower employs a management agent for the Project, the Borrower shall require such agent to comply with the requirements of this Regulatory Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the Project within 3 months of the execution of this Regulatory Agreement.

2.13 All tenant leases shall be written, shall be for a period of not less than six months, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance, and, with respect to units in the Initial Low Income Project and Low-Income Project, shall contain clauses, *inter alia*, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Tenant Certification and (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Borrower, the City or HUD, and that the failure to provide accurate information in the Tenant Certification or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

2.14 The Borrower shall permit and shall cause any management agent for the Project to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City or HUD to inspect any books and records of the Borrower or such agent regarding the Project with respect to the incomes of Low-Income Families residing as tenants in the Initial Low-Income Project and Low-Income Project or which pertain to compliance with the provisions of this Regulatory Agreement. The Borrower shall permit, and shall cause any management agent for the Project to permit, the City, HUD and/or their agents to inspect the Project at all reasonable times and access thereto shall be permitted for that purpose.

2.15 The Borrower shall obtain and maintain on file during the Project Term a sworn and notarized Tenant Certification with respect to each and every individual, group of unrelated individuals or family who is a tenant in the Initial Low-Income Project and Low-Income Project, signed by the tenant or tenants (i.e., the individual or individuals whose name or names appear on the lease) and obtained by the Borrower (a) prior to such tenant or tenants occupying the unit

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or signing a lease with respect thereto, and (b) thereafter at least annually so long as such individual, individuals or family remain as tenants in the Initial Low-Income Project and Low-Income Project. Each Tenant Certification shall be kept on file with the Borrower during the Inspection Period. Notwithstanding the foregoing sentence, this Section 2.15 shall terminate as of the Termination Date. The Borrower shall assist each of the tenants in the Initial Low-Income Project and Low-Income Project in completing the Tenant Certification if necessary.

2.16 The Borrower agrees that it will take any and all actions required by the City to substantiate the Borrower's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City an Annual Report executed by the Borrower, commencing on the First Reporting Date and on each January 1 thereafter through and including the Last Reporting Date. Notwithstanding the foregoing sentence, this Section 2.16 shall terminate as of the Termination Date.

2.17 The Borrower shall provide to the City a tenant profile (in the form provided to the Borrower by DOH) for each Low-Income Family for each unit in the Initial Low-Income Project and Low-Income Project within 30 days after such unit is leased to such tenant(s) (or, for units occupied by Low-Income Families as of the date hereof, within 30 days from the date hereof). For each subsequent leasing of the unit, the Borrower shall provide the City, unless prohibited by law, with data on the racial, ethnic, gender and income-level characteristics (including gender identification of the head(s) of household) of each tenant moving into the unit.

2.18 The Borrower shall notify the City of the occurrence of any event of which the Borrower has notice and which event would violate any of the provisions of this Regulatory Agreement.

2.19 No Person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination in connection with the Project. The Borrower shall cause the Project to comply at all times with the Chicago Fair Housing Ordinance, Section 5-8-010 *et seq.* of the Municipal Code of Chicago.

2.20 [Intentionally omitted].

2.21 [Intentionally omitted].

2.22 The Project shall constitute HUD-associated housing for purposes of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Section 4821 *et seq.*), and comply with the requirements thereof and of 24 C.F.R. Section 570.608, including without limitation the requirements of notice to tenants, prohibition of the use of lead-based paint and for the elimination of the hazards of lead-based paint. Any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

2.23 The Borrower shall obtain and maintain flood insurance for the Project if the Project is located in an area which is identified by the Federal Emergency Management Agency as having special flood hazards.

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2.24 The Borrower is not a primarily religious entity and the Project will be used solely for secular purposes.

2.25 No individual who is an employee, agent, consultant, officer or elected or appointed official of the City (and no individual who was an employee, agent, consultant, officer or elected or appointed official within one year prior to the date hereof) and who exercises or has exercised any functions or responsibilities with respect to activities assisted with City funds or who is or was in a position to participate in a decision-making process or gain inside information with regard to such activities, has obtained, is obtaining or will obtain a financial interest or benefit from the Project, or has or will have any interest in any contract, subcontract or agreement with respect to the Project, or the proceeds thereunder, either for himself or for those with whom he has family or business ties.

2.26 The Borrower has not and shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

2.27 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Borrower contained any document submitted by the Borrower to the City in connection with the Regulatory Agreement remain true and in effect as of the date hereof.

2.28 For every unit in the Initial Low-Income Project and the Low-Income Project, the Borrower shall comply with affirmative marketing requirements established by HUD, and if HUD no longer insures a mortgage for this Project then DOH, from time to time, including the following:

- (a) based on the Affirmative Marketing Plan, advertise in pre-identified commercial media, contact pre-identified churches, community groups and other agencies, and undertake other means to inform targeted groups of the availability of such units in the Initial Low-Income Project and Low-Income Project;
- (b) display conspicuously HUD's fair housing poster wherever rentals and showings of such units take place;
- (c) provide DOH upon request with an annual report describing the Borrower's affirmative marketing activities with respect to the Initial Low-Income Project and Low-Income Project, including a description of the Borrower's outreach efforts (including copies of all advertisements and brochures) and, unless prohibited by law, a record of the racial/ethnic/gender characteristics of all individuals who look at units in the Initial Low-Income Project and Low-Income Project, those who apply for leases for such units, and those who actually sign such leases; and

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- (d) maintain records of affirmative marketing efforts with respect to the leasing or re-leasing of each such unit to be made available for review by DOH for a period equal to the Project Term.

2.29 The Borrower shall submit to the City a tenant selection plan on the First Reporting Date containing policies and criteria that: (a) are consistent with the purpose of providing housing for Low-Income Families, (b) are reasonably related to Multi-Family Program eligibility and the applicants' ability to perform the obligations of the lease, (c) give reasonable consideration to the housing needs of families that would have a preference under 24 C.F.R. Section 960.211, and (d) provide for (1) the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and (2) the prompt notification in writing to any rejected applicant of the grounds for any rejection. In the event the Borrower is required to submit a tenant selection plan to IHDA prior to the expiration of the IHDA Regulatory Agreement, DOH shall accept such tenant selection plan if approved by IHDA.

2.30 The Borrower hereby acknowledges and affirms that it has reviewed the provisions of, and that the Project shall during the Project Term be in compliance with, each of the following: (a) the requirements of the Fair Housing Act, 42 U.S.C. §§3601-19 and implementing regulations at 24 C.F.R. Part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12892 (3 C.F.R., 1958-63 Comp. p. 652 and 59 F.R. 2939) (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§2000d - 2000d-4, and implementing regulations at 24 C.F.R. Part 1; (b) the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 U.S.C. §6101 *et seq.*, and the implementing regulations at 24 C.F.R. Part 146; (c) the prohibitions against discrimination on the basis of handicap under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, and implementing regulations at 24 C.F.R. Part 8; (d) the requirements of Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086 and 12107 (3 C.F.R., 1964-65 Comp., p. 339; 3 C.F.R., 1966-70 Comp., p.684; 3 C.F.R., 1966-70 Comp., p.803; 3 C.F.R., 1978 Comp., p.230 and 3 C.F.R., 1978 Comp., p.264, respectively) (Equal Employment Opportunity Programs) and the implementing regulations issued at 41 C.F.R. Chapter 60; and (e) the requirements of Executive Order 11625, as amended by Executive Order 12007 (3 C.F.R., 1971-75 Comp., p.616 and 3 C.F.R., 1977 Comp., p.139) (Minority Business Enterprises); Executive Order 12432 (3 C.F.R., 1983 Comp., p.198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 C.F.R., 1977 Comp., p.393 and 3 C.F.R., 1987 Comp., p.245) (Women's Business Enterprise).

2.31 Additional representations and covenants of the Borrower contained on Exhibit B hereto are hereby incorporated herein by reference.

SECTION 3 RELIANCE.

The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein made by the City and the Borrower, respectively, may be relied upon by the Borrower and the City, respectively. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Borrower and Low-Income Families and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence

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that such action or failure to act by the City was in good faith and in conformity with such opinion. The City and the Borrower agree that it is the Borrower's responsibility to determine that each potential tenant in the Initial Low-Income Project and Low-Income Project qualifies as a Low-Income Family, and that in making each such determination, the Borrower shall exercise due diligence.

SECTION 4 SALE OR TRANSFER OF THE PROJECT.

The Borrower hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (including without limitation, a transfer by assignment of any beneficial interest under a land trust), or to violate any provision of the Mortgage relating to prohibitions on sales or transfers of the Project or any interest therein (whether or not the Mortgage remains of record), at any time during the Project Term, except as expressly permitted by the City. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 4 shall be null, void and without effect, shall cause a reversion of title to the Borrower or any successor or assignee of the Borrower last permitted by the City, and shall be ineffective to relieve the Borrower or such successor or assignee, as applicable, of its obligations hereunder.

SECTION 5 TERM.

This Regulatory Agreement shall become effective upon its execution and delivery. Subject to Sections 2.15, 2.16 and 15, hereof, this Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and understood that the provisions hereof are intended to survive throughout the Project Term.

SECTION 6 ENFORCEMENT.

6.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of 30 days after notice thereof from the City to the Borrower (provided, however, that if any such occurrence or attempt cannot reasonably be cured within said 30-day period and if the Borrower shall have commenced to cure such occurrence or attempt within said 30-day period and shall thereafter continue diligently to effect such cure, then said 30-day period shall be extended to 60 days upon written request from the Borrower to the City delivered during such 30-day period, and upon further written request from the Borrower to the City delivered during such 60-day period, said 60-day period shall be extended to 90 days; provided further, however, that the City shall not be precluded during any such periods from exercising any remedies hereunder if the City shall receive a request or notice from HUD to do so or if the City shall determine that the continuation of such uncorrected occurrence or attempt shall result in any liability by the City to HUD), the City and its successors and assigns, without regard to whether the City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Borrower of its obligations hereunder, or may declare an event of default under the Loan Documents and exercise its rights thereunder, including without limitation foreclosure under the Mortgage. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recovery for the

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continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

6.2 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 6 shall be the sole responsibility of the Borrower.

6.3 The Borrower further specifically acknowledges that the beneficiaries of the Borrower's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach or violation of any of the foregoing representations or covenants.

SECTION 7 RECORDING AND FILING.

The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other places as the City may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Borrower shall immediately transmit to the City an executed original of this Regulatory Agreement showing the date and recording number of record.

SECTION 8 COVENANTS TO RUN WITH THE LAND.

The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, 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 Borrower's successors in title to the Project throughout the Project Term. The Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another Person in order that such transferee has notice of, and is bound by, such restrictions, and to obtain from any transferee the agreement to be bound by and comply with the requirements set forth in this Regulatory Agreement; provided, however, that each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (including, without limitation, any transfer of a beneficial interest in a land trust or a portion thereof) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

SECTION 9 GOVERNING LAW.

This Regulatory Agreement shall be construed in accordance with and governed by the internal laws of the State without regard to its conflict of laws principles, and, where applicable, the laws of the United States of America.

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SECTION 10 AMENDMENTS.

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the county in which the Project is located.

SECTION 11 NOTICE.

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

IF TO CITY: City of Chicago, Illinois
c/o Department of Housing
33 North LaSalle Street, 2nd Floor
Chicago, Illinois 60602
Attention: Commissioner

WITH COPIES TO: Department of Finance
City of Chicago
33 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Comptroller

and

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

IF TO BORROWER: As specified on Exhibit B hereto.

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days following deposit in the mail.

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SECTION 12 SEVERABILITY.

If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SECTION 13 COUNTERPARTS.

This Regulatory Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Regulatory Agreement.

SECTION 14 EFFECTIVE DATE.

This Regulatory Agreement shall be deemed to be in effect as of the date first set forth above.

SECTION 15 RIGHT TO INSPECT.

The Borrower agrees that the City shall have the right to perform an on-site inspection of the Project and to review the records maintained by the Borrower or its agent as described in Section 2.14 hereof, upon 30 days' prior notice by the City to the Borrower, at least annually during each year of the Inspection Period. Notwithstanding the foregoing sentence, this Section 15 shall terminate as of the Termination Date.

SECTION 16 NO THIRD PARTY BENEFITS.

This Regulatory Agreement is made for the sole benefit of the City and the Borrower and their respective successors and assigns and, except as expressly provided herein, no other party shall have any legal interest of any kind hereunder or by reason of this Regulatory Agreement. Whether or not the City elects to employ any or all of the rights, powers or remedies available to it hereunder, the City shall have no obligation or liability of any kind to any third party by reason of this Regulatory Agreement or any of the City's actions or omissions pursuant hereto or otherwise in connection herewith.

SECTION 17 REFERENCES TO STATUTES, ETC.

All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions, rulings, notices or circulars issued by any governmental body shall be deemed to include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, rulings, notices and circulars.

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IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, by and through its Department of Housing

By: Richard Monocchio
Name: Rich Monocchio
Title: First Deputy Commissioner

THE NORTH WASHINGTON PARK PARTNERSHIP, an Illinois limited partnership

By: Plaza on the Park, LLC, and Illinois limited liability company and its general partner

By: _____
Name: _____
Title: _____

Property of Cook County Clerk's Office

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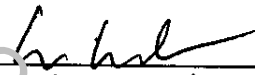
IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, by and through
its Department of Housing

By: _____
Name:
Title:

THE NORTH WASHINGTON PARK
PARTNERSHIP, an Illinois limited partnership

By: Plaza on the Park, LLC, and Illinois limited
liability company and its general partner

By: 
Name: Alan Cravitz
Title: Managing Member

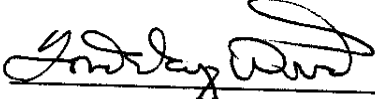
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

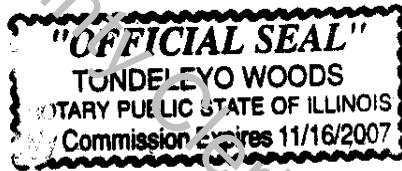
I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT ~~Rich Monocchto~~, personally known to me to be the ~~First Deputy~~ Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such ~~First Deputy~~ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 17th day of August, 2005.



Notary Public

(SEAL)

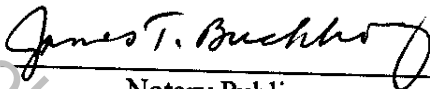


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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

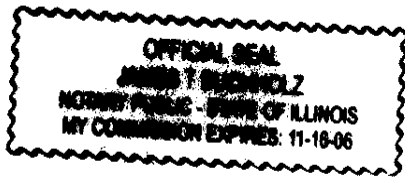
I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Alan Cravitz, personally known to me to be the Managing Member of Plaza on the Park, LLC (the "General Partner"), an Illinois limited liability company and general partner of The North Washington Park Partnership (the "Borrower"), an Illinois limited partnership, and 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 Managing Member he signed and delivered the said instrument pursuant to authority given by the members of the General Partner, and as their respective free and voluntary acts and deeds and as the free and voluntary act and deed of the General Partner and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 4th day of August, 2005.



Notary Public

(SEAL)



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EXHIBIT A

PARCEL 1:

THE EAST 2 FEET OF LOT 16 AND ALL OF LOTS 17, 18, 19, 20, 21 AND 22 IN THE SUBDIVISION OF LOT 4 IN LAVINIA AND COMPANY'S SUBDIVISION OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1 AND 2 IN COLLINS AND MORRIS SUBDIVISION OF PART OF LOTS 13, 14 AND 15 IN LAVINIA AND COMPANY'S SUBDIVISION OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF THE SOUTH HALF OF LOT 5 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: BEGINNING ON THE NORTH LINE OF 50TH PLACE AT A POINT 162 FEET 3 INCHES EAST OF THE NORTHEAST CORNER OF ST. LAWRENCE AVENUE AND 50TH PLACE; THENCE WEST 162 FEET 3 INCHES TO THE EAST LINE OF ST. LAWRENCE AVENUE; THENCE NORTH ALONG THE EAST LINE OF ST. LAWRENCE AVENUE TO THE NORTH LINE OF THE SAID SOUTH HALF OF LOT 5; THENCE EAST ON SAID NORTH LINE OF SAID SOUTH HALF OF LOT 5, 161 FEET 4 3/4 INCHES; THENCE SOUTHERLY ON A STRAIGHT LINE TO THE POINT OF BEGINNING, BEING ALSO COMMONLY KNOWN AND DESCRIBED AS FOLLOWS: THE SOUTH HALF (EXCEPT THE EAST 60 FEET AND 6 INCHES THEREOF AND EXCEPT SO MUCH THEREOF AS HAS BEEN TAKEN FOR STREETS AND ALLEYS) OF LOT 5 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 12 IN WENTWORTH'S SUBDIVISION OF LOTS 17 AND 18 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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PARCEL 5:

THE NORTH 65 FEET OF THAT PART OF LOT 15 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF A LINE DRAWN MIDWAY BETWEEN THE EAST LINE OF FORRESTVILLE AVENUE AND THE WEST LINE OF ST. LAWRENCE AVENUE (EXCEPT THAT PART TAKEN FOR ST. LAWRENCE AVENUE) IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOT 2 IN ARBUTHNOT AND HOWELL'S SUBDIVISION OF THE WEST HALF OF LOT 16 (EXCEPT STREETS) IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD P PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

LOT 11 IN WENTWORTH'S SUBDIVISION OF LOTS 17 AND 18 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 8:

THE EAST HALF OF LOT 16 (EXCEPT THE NORTH 126 FEET THEREOF) IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Addresses Commonly Known as with PINS:

Parcel 1:	634-50 E. 50 th Place/5017-23 S. Champlain Chicago, Illinois	20-10-226-002
Parcel 2:	544-54 E. 51 st Street/5051-59 S. Forrestville Chicago, Illinois	20-10-230-003 20-10-230-004
Parcel 3:	600-14 E. 50 th Place/5019-27 S. St. Lawrence Chicago, Illinois	20-10-225-007
Parcel 4:	634-36 E. 51 st Street/5047-59 S. Champlain Chicago, Illinois	20-10-232-013

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Parcel 5:	555-57 E. 50 th Place/5032-34 S. St. Lawrence Chicago, Illinois	20-10-230-005
Parcel 6:	600-08 E. 51 st Street/5047-59 S. St. Lawrence Chicago, Illinois	20-10-231-007
Parcels 7 & 8:	612-24 E. 51 st Street/5046-50 S. Champlain Chicago, Illinois	20-10-231-008

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EXHIBIT B

I. ADDITIONAL DEFINITIONS

"Initial Low-Income Project" shall mean the 106 units in the Project required to be occupied by Low-Income Families until the expiration of the IHDA Regulatory Agreement.

"Loan" shall mean a loan by the City to the Borrower in the principal amount of \$3,610,000 for financing a portion of the costs of rehabilitation of the Project.

"Low-Income Project" shall mean the 30 units in the Project required to be occupied by Low-Income Families subsequent to the expiration of the IHDA Regulatory Agreement.

"Project" shall mean the buildings generally located at 555-557, 600-614 and 634-648 East 50th Place; 5017-5023, 5044-5048 and 5047-5053 South Champlain Avenue; 5019-5027, 5032-34 and 5047-5049 South St. Lawrence Avenue; 544-554, 600-626 and 634-648 East 51st Street and 5051-5053 South Forrestville Avenue, all in Chicago, Illinois, and which shall contain, as of the completion of rehabilitation thereof, 151 multi-family residential dwelling units.

"Senior Lender" shall mean Reilly Mortgage Group, Inc., a District of Columbia corporation located at 2010 Corporate Ridge, Suite 1000, McLean, VA 22102, and its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the principal amount of \$3,979,200 for financing a portion of the costs of rehabilitation of the Project.

"Senior Mortgage" shall mean that certain Mortgage dated as of the date hereof granted by the Borrower to the Senior Lender and securing repayment of the Senior Loan.

II. ADDITIONAL REPRESENTATIONS AND COVENANTS OF BORROWER.

1. The Project shall consist of 151 residential dwelling units, including the Initial Low-Income Project and the Low-Income Project. The Initial Low-Income Project shall contain 106 residential dwelling units. The Low-Income Project shall contain 30 residential dwelling units.

2. No low-income housing tax credits have been allocated for the Project pursuant to Section 42 of the Internal Revenue Code of 1986.

3. For purposes of Section 11, the Borrower's address shall be:

The North Washington Park Partnership
200 E. Randolph Street, Suite 2100
Chicago, IL 60601-6432

WITH COPY TO:

James Buchholz
200 E. Randolph Street, Suite 2100
Chicago, IL 60601-6432

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EXHIBIT C

ANNUAL REPORT FOR PROJECT RECEIVING FUNDS FROM THE CITY OF CHICAGO, DEPARTMENT OF HOUSING

Borrower: _____

Project Name: _____

Project Number: _____

Borrower Federal Employer Identification Number: _____

The City of Chicago, Illinois, acting by and through its Department of Housing (the "City"), has entered into a Loan Agreement dated _____ with the Borrower pursuant to which the City has loaned funds to the Borrower for the Project. The Borrower is required to maintain certain records concerning the Project and the City is required to monitor the Project's compliance with the agreements executed by the City and the Borrower in connection with the Project. The Borrower further agreed, in the Regulatory Agreement dated as of _____, between the City and the Borrower (the "Regulatory Agreement"), to maintain certain records and prepare and deliver certain reports to the City. This Annual Report must be completed in its entirety and must be executed by the Borrower, notarized and returned to the City by January 1 of each year for the period commencing on the first January 1 following completion of rehabilitation of the Project, and ending on the first January 1 following the Termination Date. In addition, a copy of Schedule I must be completed for each building which comprises a part of the Project. No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the meanings ascribed to them in the Regulatory Agreement.

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A. INFORMATION

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

Building Address

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

Yes _____ No _____

If Yes, provide all the appropriate documents.

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

Yes _____ No _____

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

5. Provide the City with independently audited financial statements for the Project for the most recent fiscal year, including an income and expense statement, a balance sheet listing assets and liabilities, a detailed schedule of operating, maintenance and administrative expenses and a cash flow statement.

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6. (a) The Borrower hereby certifies to the City that no change shall occur in the Borrower or any general partner, if any, of the Borrower without the prior written consent of the City.
- (b) Provide to the City copies of each lease and each Tenant Certification executed in connection with the Initial Low-Income Project and Low-Income Project since the later of the date of the Regulatory Agreement or the last Annual Report submitted to the City. For each such unit in the Initial Low-Income Project and Low-Income Project, provide to the City the data with respect to tenant characteristics as required by Section 2.17 of the Regulatory Agreement.
- (c) Provide the City with evidence of compliance with Section 2.22 of the Regulatory Agreement since the later of the execution of the Regulatory Agreement or the last Annual Report, including copies of any required notices given to prospective tenants regarding lead-based paint with the signature of each tenant in the Initial Low-Income Project and Low-Income Project.
- (d) Provide to the City evidence of compliance with the affirmative marketing requirements of Section 2.28 of the Regulatory Agreement.

B. REPRESENTATIONS, WARRANTIES AND COVENANTS

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

1. The Borrower is [check as applicable]:
 - (a) an individual.
 - (b) a group of individuals.
 - (c) a corporation incorporated and in good standing in the State of ____.
 - (d) a general partnership organized under the laws of the State of ____.
 - (e) a limited partnership organized under the laws of the State of ____.
 - (f) other [please describe]:
_____.
2. The Borrower is [check as applicable] (a) _____ the owner of fee simple title to, or (b) the owner of 100% of the beneficial interest in, the hereinafter described Project.
3. The Project consists of _____ building(s) containing a total of _____ residential unit(s).
4. The Project is in compliance with all of the currently applicable requirements of the the Regulatory Agreement. The Borrower will take whatever action is required to ensure that the Project complies with all requirements imposed by the Regulatory Agreement during the periods required thereby.

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The Borrower shall retain all tenant selection documents, which include but are not limited to: income verification, employment verification, credit reports, leases and low-income computation forms, to be available for periodic inspections by the City or its representative. The City, at its option, can periodically inspect the Project, and all tenancy-related documents to determine continued compliance of the Project with all applicable requirements.

5. No litigation or proceedings have been threatened in writing or are pending which may affect the interest of the Borrower in the Project or the ability of the Borrower to perform its obligations with respect thereto, except as disclosed on Exhibit ___ attached hereto and hereby made a part hereof.
6. All units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age or handicap.
7. Other than in connection with the rehabilitation of the Project, the Borrower has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any residential rental unit for any purpose other than rental housing. The Borrower has used its best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of the Regulatory Agreement.
8. The Borrower is in possession of all records which it is required to maintain pursuant to the terms of the Regulatory Agreement, as well as any additional records which the City has determined to be necessary to the compliance and administration of the Project.
9. The Borrower has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Regulatory Agreement and in any event the requirements of the Regulatory Agreement are paramount and controlling as to the rights and obligations therein set forth and supersede any other requirements in conflict therewith. The Borrower shall continue to cooperate with the City and furnish such documents, reports, exhibits or showings as are required by the Regulatory Agreement, and the City or the City's counsel.

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

Under penalties of perjury, the Borrower declares that, to the best of its knowledge and belief, each response, representation, warranty and document delivered by the Borrower in connection herewith is true, correct and complete and will continue to be true, correct and complete.

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INDEMNIFICATION

The Borrower hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Borrower's responses or documents provided pursuant to the terms of this Annual Report, including breaches of the representations and warranties herein contained, other than those judgments, losses, liabilities, damages, costs and expenses arising out of the City's gross negligence or willful misconduct following the City's acquisition of title to or control of the Project, unless such act is taken in response to (1) any willful misconduct or negligent act or omission of the Borrower, the General Partner, if any, or the Owner, if any (as the last two terms are defined in the Loan Agreement), or (2) any breach (other than failure to repay the Loan) by the Borrower, the General Partner, if any, or the Owner, if any, of any provisions of the instruments executed by the Borrower, the General Partner, if any, or the Owner, if any, in connection with the Loan.

Borrower

Date

Subscribed and sworn to before me this
__ day of _____, __.

Notary Public
(SEAL)

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SCHEDULE I

Borrower:

Mailing Address:

Date of Regulatory Agreement:

Project Name and No.:

Building Address

1. (a) Note utilities paid by tenants:

(b) Note utilities paid by Borrower for which tenants reimburse Borrower:

(c) For each Residential Rental Unit in the Project, provide the following:

UNITS RENTED TO LOW-INCOME FAMILIES:

<u>Unit</u>	<u>Br</u>	<u>Rent</u>	<u>Family's Income</u>	<u>Family Size</u>
-------------	-----------	-------------	------------------------	--------------------

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OTHER UNITS:

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

2. Has the rent in any Low-Income Unit in the building identified above increased since the filing of the previous Annual Report, or, if this Annual Report is the first Annual Report filed with respect to such building, has the rent been increased from the amounts projected during the construction period?

Yes _____ No _____

If Yes, please provide details.

3. How many Low-Income Units in this building are now occupied by tenants that did not occupy such units at the time of the last Annual Report filed for this building?

4. What steps did the Borrower take to insure that the new tenants qualified as Low-Income Families?

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

Yes _____

No _____

If Yes, please provide details.

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

Yes _____

No _____

If Yes, please provide details

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EXHIBIT D

TENANT CERTIFICATION

RE:

Chicago, Illinois

Name of Tenant (i.e., person(s)
whose name appears on the lease):

Address of Apartment: _____

Apartment Number:

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago, Illinois (the "City") to the owner of the apartment development, through a U.S. Department of Housing and Urban Development program. In order for the development to continue to qualify for this loan, there are certain requirements which must be met with respect to the apartment development and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Tenant Certification at the time you sign your lease and annually thereafter so long as you remain a tenant in the apartment development.

CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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Income Computation (Anticipated Incomes)

<u>Name of Members of the Household</u>	<u>Relation-ship to Head of Household</u>	<u>Age (if 18 or under)</u>	<u>Social Security Number</u>	<u>Place of Employment</u>
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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3. a. Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____ No

- b. Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes _____ No

I acknowledge that all of the above information is or may be the basis of my qualifying as a tenant and further is relevant to the status of the funds provided through the U.S. Department of Housing and Urban Development to finance rehabilitation of the apartment for which application is being made. I consent to and authorize the disclosure of such information to the City and HUD and any agent acting on their behalf. If I am accepted as a tenant or my lease is renewed, and if any of the foregoing information is inaccurate or misleading, I understand that it will constitute a material breach of my lease. I understand that the submission of this information is one of the requirements for tenancy and does not constitute an approval of my application, or my acceptance as a tenant.

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

Executed this ___ day of _____, ___ at Chicago, Illinois.

Tenant

Applicant for an apartment
or Residing in Apt. No.

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On the ___ day of _____, ___ personally appeared before me _____,
the signer of the above certification, who duly acknowledged to me that he/she executed
the same.

(SEAL)

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FOR COMPLETION BY BORROWER ONLY:

1. Calculation of eligible income:
 - a. Total amount entered for entire household in 1 above: _____
 - b. If the amount entered in 2.a above exceeds \$5,000, enter the greater of (i) the amount entered in 2.b less the amount entered in 2.c and (ii) the passbook savings rate as designated by HUD multiplied by the amount entered in 2.a: _____
 - c. TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b): _____
2. For each Low-Income Unit, complete the following:
 - a. The amount entered in 1.c is: (place "x" on appropriate line)
 - (i) _____ Less than \$_____ which is the maximum income at which a household of _____ persons may be determined to be a Low-Income Family as that term is defined in the Regulatory Agreement dated as of _____, between the City of Chicago, Illinois and _____ (the "Regulatory Agreement").
 - (ii) _____ More than the amount mentioned in line (i).
 - b. Applicant:
_____ Qualifies as Low-Income Family.
_____ Does not qualify as a Low-Income Family.

BORROWER:

By:

Its:

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EXHIBIT D

HUD-REQUIRED PROVISIONS RIDER

THIS RIDER (the "Rider") is attached to and made a part of that certain Regulatory Agreement ("Agreement"), dated as of August 1, 2005, entered into by and between the City of Chicago and the Borrower, and relating to the property described in Exhibit A to the Agreement. In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Agreement, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development, "FHA" shall mean the Federal Housing Administration, an organizational unit within HUD; the term "Project" shall have the same meaning as in the HUD Regulatory Agreement described below and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured mortgage loan for the Project (Project No. 071-35768):

1. Commitment for Insurance of Advances, dated May 31, 2005, issued by the Secretary of HUD pursuant to Section 223(a)(7)/220 to Reilly Mortgage Group, Inc. ("Mortgagee");
2. Mortgage Note (the "Mortgage Note");
3. Mortgage, dated as of August 1, 2005 made by Borrower in favor of Mortgagee and encumbering the Project as security for the said mortgage loan (the "Mortgage");
4. Security Agreement dated as of August 1, 2005 between Borrower, as debtor, and Mortgagee and/or the Secretary of Housing and Urban Development as their interests may appear, as secured parties (the "Security Agreement");
5. UCC-1 Financing Statements made by Borrower as debtor, in favor of Mortgagee and/or the Secretary of Housing and Urban Development as their interests may appear, as secured party, recorded with the Cook County Recorder's Office and to be filed with the Illinois Secretary of State (collectively, the "UCC Financing Statements");
6. Regulatory Agreement for Multifamily Housing Projects, dated as of August 1, 2005 between Borrower and HUD (the "HUD Regulatory Agreement").

R-1 Notwithstanding anything in the Agreement to the contrary, the provisions of the Agreement are subordinate to all applicable Federal statutes, HUD mortgage insurance regulations and related HUD directives and administrative requirements; other than those HUD mortgage insurance regulations, related HUD directives and/or administrative requirements which have been waived in writing by HUD with respect to the Project. The provisions of the Agreement are also expressly subordinate to the HUD/FHA Loan Documents. In the event of any conflict between the Agreement and

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the provisions of applicable Federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements, or HUD/FHA Loan Documents, the Federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements and HUD/FHA Loan Documents shall control.

R-2 Failure on the part of the Borrower to comply with the covenants contained in the Agreement shall not serve as the basis for default on any HUD-insured or HUD-held mortgage on the Project.

R-3 Compliance by the Borrower with the provisions and covenants of the Agreement and enforcement of the provisions and covenants contained in the Agreement, but not limited to, any indemnification provisions or covenants, will not and shall not result in any claim or lien against the Project, any asset of the Project, the proceeds of the Mortgage, any reserve, or deposit required by HUD in connection with the Mortgage transaction or the rents or other income from the Project, other than distributable "Surplus Cash" (as that term is defined in the HUD Regulatory Agreement).

R-4 No amendment to the Agreement made after the date of the HUD initial endorsement of the Mortgage Note shall have any force or effect until and unless such amendment is approved in advance in writing by HUD.

R-5 Any action prohibited or required by HUD pursuant to applicable Federal law, HUD regulations, HUD directives and administrative requirements or the HUD/FHA Loan Documents, shall supersede any conflicting provision of the Agreement; and the performance or failure to perform of the Borrower in accordance with such laws, regulations, directives, administrative requirements or HUD/FHA Loan Documents shall not constitute an event of default under the Agreement.

R-6 So long as HUD is the insurer or holder of any mortgage on the Project or any indebtedness secured by a mortgage on the Project, the Borrower shall not and is not permitted to pay any amount required to be paid under the provisions of the Agreement except from distributable Surplus Cash, as such term is defined in, and in accordance with the conditions prescribed in the HUD Regulatory Agreement.

R-7 In the event of the appointment, by any court, of any person, other than HUD or Mortgagee, as a receiver, as a mortgagee or party in possession, or in the event of any enforcement of any assignment of leases, rents, issues, profits, or contracts contained in the Agreement, with or without court action, no rents, revenue or other income of the Project collected by the receiver, person in possession or person pursuing enforcement as aforesaid, shall be utilized for the payment of interest, principal or any other amount due and payable under the provisions of the Agreement, except from distributable Surplus Cash in accordance with the HUD Regulatory Agreement. The receiver, person in possession or person pursuing enforcement shall operate the Project in accordance with all provisions of the HUD/FHA Loan Documents.

UNOFFICIAL COPY

R-8 A duplicate of each notice given, whether required or permitted to be given, under the provisions of the Agreement shall also be given to:

Department of Housing and Urban Development
77 West Jackson Boulevard
Chicago, IL 60604
Attention: Director of Multifamily Housing
Project No. 071-35768

HUD may designate any further or different addresses for such duplicate notices.

R-9 The Agreement and all provisions and covenants therein and all lien rights created thereby, if any, contained in the Agreement shall automatically terminate in the event that a deed in lieu of foreclosure, of any mortgage insured or held by HUD with respect to the Project, or any portion thereof, is delivered and accepted in writing by the Mortgagee or HUD. Upon such termination, the Subordinate Lender shall furnish to HUD and the Mortgagee such releases and other documentation as HUD or the Mortgagee shall deem necessary or convenient to confirm or evidence such termination.

R-10 Notwithstanding anything in the Agreement to the contrary, the provisions of this HUD-Required Rider are for the benefit of, and are enforceable by, HUD and the Mortgagee.

R-11 This Rider may be executed in several counterparts, which shall be treated as originals for all purposes, and all so executed shall constitute one agreement, binding on all of the parties, notwithstanding that all parties are signatory to the original or the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the party who executed it.

UNOFFICIAL COPY

Executed as of the date set forth above.

**THE NORTH WASHINGTON PARK
PARTNERSHIP, an Illinois limited partnership**

By: Plaza on the Park, LLC,
an Illinois limited liability company
and its general partner

By: [Signature]
Its: Managing Member

The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to
by the undersigned as of the _____ day of _____, 200_.

CITY OF CHICAGO, ILLINOIS
by and through its Department of Housing

By: _____

UNOFFICIAL COPY

Executed as of the date set forth above.

THE NORTH WASHINGTON PARK
PARTNERSHIP, an Illinois limited partnership

By: Plaza on the Park, LLC,
an Illinois limited liability company
and its general partner

By: _____
Its: _____

The foregoing HUD-Required Provisions Rider is hereby acknowledged and
consented to by the undersigned as of the 1st day of August, 2005.

CITY OF CHICAGO, ILLINOIS
by and through its Department of Housing

By: *Rich Monocchio*
Name: Rich Monocchio
Title: Deputy Commissioner