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This document prepared by
and when recorded return to:
Melinda Lawrence
Office of the Corporation Counsel
30 North LaSalle Street, Suite 700
Chicago, Illinois 60602

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT dated as of this 15th day of June, 2007 (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 Community Investment Corporation, an Illinois not-for-profit corporation (the "Owner").

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

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coordinates the formulation and execution of projects and programs creating safe, decent and affordable housing for residents of the City; and

WHEREAS, the City has assigned certain debt owed to the City in connection with the Project (as hereinafter defined) to the Owner; and

WHEREAS, under this Regulatory Agreement, the Owner intends, declares and covenants that the restrictive covenants set forth herein governing the use, occupancy and transfer of the Project shall be and are covenants running with the land for the Project Term (as hereinafter defined), are binding upon all subsequent owners and operators of the Project during such Project Term, and are not merely personal covenants of the Owner;

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

SECTION 1. DEFINITIONS AND INTERPRETATIONS.

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:

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

"Area Median Gross Income" shall mean the Chicago-area median gross income, adjusted for family size, as such adjusted income and Chicago-area median gross income are determined from time to time by HUD.

"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.

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.); (ii) any so-called "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.); (iv) the Resource Conservation and Recovery Act

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(42 U.S.C. §6901 et seq.); (v) the Clean Air Act (42 U.S.C. §7401 et seq.); (vi) the Clean Water Act (33 U.S.C. §1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (viii) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.); (ix) Executive Order 11738; (x) regulations of the United States Environmental Protection Agency (40 C.F.R. Part 15); (xi) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (xii) the Municipal Code of Chicago, including but not limited to, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

"First Reporting Date" shall mean March 1 of the first year of the Project Term.

"Foreclosure Date" shall mean the date of a Transfer, provided that such Transfer is not part of an arrangement with the Owner a purpose of which is to terminate the applicable affordability restrictions imposed during the Project Term.

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

"Moderate-Income Family" means, with respect to any tenant in the Project, individuals or families whose income level does not exceed 80% of the Area Median Gross Income.

"Moderate-Income Unit" means a Unit in the Project that is occupied by a Qualifying Moderate-Income Tenant, and is Rent-Restricted.

"Project" shall mean the residential rental housing development located at the addresses set forth and as legally described on Exhibit A hereto and any buildings located thereon.

"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 date hereof and shall continue through and including December 31, 2023, unless otherwise terminated on a Foreclosure Date.

"Qualifying Moderate-Income Tenants" means individuals or families whose income does not exceed 80% of Area Median Gross Income upon initial occupancy of a Moderate-Income Unit. For so long as a tenant, which had been determined to be a Moderate-Income Family upon initial occupancy, occupies the particular Unit, the tenant will remain a Qualifying Moderate-Income Tenant if the tenant's income, upon the most recent income certification, does not exceed 140% of 80% of Area Median Gross Income.

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

"Rent-Restricted" shall mean that the gross rent for the Unit charged does not exceed 30% of the income of a family earning 80% of Area Median Gross Income, with adjustment for the number of bedrooms in the Unit.

"State" shall mean the State of Illinois.

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"Tenant Certification" shall have the meaning assigned to such term in Section 2.16 hereto.

"Three-Year Period" shall mean a period commencing on the Foreclosure Date and ending on the third anniversary thereof.

"Transfer" shall mean the transfer of the Project (a) by foreclosure of a mortgage thereon or (b) by an instrument in lieu of foreclosure of a mortgage thereon.

"Unit" means any residential rental unit in the Project consisting of an accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy units used on a nontransient basis may be treated as Units.

SECTION 2. OWNER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Owner hereby represents, warrants, covenants and agrees as follows:

2.1 The Project shall be owned, managed and operated 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 (unless the Project qualifies as a single-room occupancy project).

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 Owner 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. The Owner shall not refuse to lease any unit in the Project to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder. 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 Owner 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.

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2.6 The Owner shall cause all of the Units in the Project to be and remain suitable for occupancy.

2.7 One hundred percent (100%) of the Units in the Project shall qualify as Moderate-Income Units and shall be occupied or available for occupancy by Moderate-Income Families.

2.8 All of the Units in the Project shall be Rent-Restricted.

2.9 For the Three-Year Period following a Foreclosure Date, the Owner shall not evict or terminate the tenancy of an existing tenant in any Unit other than for good cause, and all Units in the Project shall remain Rent-Restricted.

2.10 For purposes of satisfying the requirements set forth in Section 2.7 above, a Moderate-Income Unit occupied by a Qualifying Moderate-Income Tenant whose income has exceeded 80% of the Area Median Gross Income after initial occupancy of such Moderate-Income Unit shall be deemed to comply with Section 2.7(b) hereof if, but only if, units of a comparable size which are then available or subsequently become available, are occupied by a new tenant who is a Moderate-Income Family, until the number of Moderate-Income Units initially claimed is again achieved.

2.11 (a) The Owner shall include in leases for all Units provisions which authorize the Owner to immediately terminate the tenancy, in accordance with applicable lease provisions, of any tenant who misrepresented any fact material to the tenant's qualification as a Moderate-Income Family, as applicable.

(b) The Owner shall not evict or terminate the tenancy of any tenant of any Unit other than for good cause.

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 Owner, 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 Owner employs a management agent for the Project, the Owner 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.

2.13 All tenant leases shall be written, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance, and 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 Owner or the City, and that the failure to provide accurate information in the Tenant Certification or refusal

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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 All tenant leases shall be for a period of not less than six months unless such Unit qualifies as a single-room occupancy unit.

2.15 The Owner shall obtain and keep the records regarding the Project, the Units and the Tenant Certifications for a period of five years subsequent to the Project Term. This covenant shall survive the Project Term, but shall terminate as of a Foreclosure Date.

2.16 The Owner shall obtain and maintain on file during the Project Term a sworn and notarized tenant certification ("Tenant Certification") with respect to each and every individual, group of unrelated individuals or family who is a tenant in the Units, signed by the tenant or tenants (i.e., the individual or individuals whose name or names appear on the lease) and obtained by the Owner (a) prior to such tenant or tenants occupying the Unit 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 Units. The Owner shall assist each of the tenants in the Units in completing the Tenant Certification if necessary.

2.17 The Owner agrees that it will take any and all actions required by the City to substantiate the Owner's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City an Annual Report executed by the Owner, commencing on the First Reporting Date and on each March 1 thereafter through and including first March 1 subsequent to the Project Term. This covenant shall survive beyond the Project Term, but shall terminate as of a Foreclosure Date.

2.18 The Owner shall provide to the City a tenant profile (in the form provided to the Owner by DOH) for each Unit along with the Annual Report. For each Unit the Owner 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 occupying the Unit.

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

2.20 The Owner 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

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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; (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); and (f) all applicable Environmental Laws.

2.21 Neither the Owner nor any affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

2.22 The Owner has not executed 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.

SECTION 3. RELIANCE.

In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and Moderate-Income Families and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the City was in good faith and in conformity with such opinion. It is the Owner's responsibility to determine that each potential tenant for a Moderate-Income Unit qualifies as a Moderate-Income Family and that in making each such determination, the Owner shall exercise due diligence.

SECTION 4. TERM.

4.1 This Regulatory Agreement shall become effective upon its execution and delivery. Except as otherwise provided herein, 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, and that certain provisions shall survive the Project Term.

4.2 If the Project Term shall end on a Foreclosure Date, the occurrence of such Foreclosure Date shall not be construed to permit, during the Three-Year Period, either (i) the

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eviction or termination of the tenancy (other than for good cause) of an existing tenant of any Unit, or (ii) any increase in the rent with respect to any Unit except in accordance with Section 2.9 hereof.

SECTION 5. ENFORCEMENT.

5.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected after written notice thereof from the City to the Owner, the Owner shall cure the violation immediately. Within 5 business days from the receipt of the notice the Owner may request that the City grant a period of time to effect a cure of the violation based upon circumstances at the Project and the length of time reasonably necessary to effect a cure of the violation. Said request should be made in writing and directed to the Commissioner of DOH. The City, at its sole discretion, may approve or deny the cure period as requested, or it may grant a cure period of its own determination, based upon the time warranted under the circumstances presented at the time the request is made.

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 Owner of its obligations hereunder. 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 continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

5.2 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 5 shall be the sole responsibility of the Owner.

5.3 The Owner further specifically acknowledges that the beneficiaries of the Owner'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. The City shall explicitly have the right to compel specific performance of the Owner's obligations hereunder.

5.4 If the Owner does not perform its obligations to provide Moderate-Income Units according to the terms of this agreement, the Owner shall pay to the City a penalty sufficient to divest the Owner of all money collected above the Rent-Restricted rate applicable to such Units. The calculation of the penalty shall be based upon the actual contractual value, oral or written, of the lease for each Unit that should have been charged at a Rent-Restricted rate applicable under this agreement to the Units, from the initial payment date for each non-complying Unit for the duration of the lease(s). If the Owner fails to provide the actual contract information as to rents charged for this calculation, the City shall have the right to calculate the penalty based upon the area market rental rates, as determined by the City, using its own information and best estimates. If no proof of the term of occupancy can be determined, the City shall have the right to calculate the penalty based upon its own information and best estimates, including but not limited to tenant interviews, and usual and customary practice.

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SECTION 6. RECORDING AND FILING.

The Owner 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 Owner shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Owner shall immediately transmit to the City an executed original of this Regulatory Agreement showing the date and recording number of record.

SECTION 7. COVENANTS TO RUN WITH THE LAND.

The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Owner 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 Owner's successors in title to the Project throughout the Project Term. The Owner hereby covenants to notify any immediate successor in title to the Project of the requirements and restrictions contained in this Regulatory Agreement and that such transferee is bound by such restrictions. The Owner hereby additionally covenants to promptly notify the City of any change in title to the Project and of the identity and mailing address of such transferee. 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 8. 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.

SECTION 9. 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 10. 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

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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, 6th Floor
Chicago, Illinois 60602
Attention: Comptroller

and

Office of the Corporation Counsel
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602

IF TO OWNER: Community Investment Corporation
222 South Riverside Plaza
Suite 2200
Chicago, Illinois 60606-5109
Attention: John Pritscher

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.

SECTION 11. 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.

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SECTION 12. 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 13. RIGHT TO INSPECT.

The Owner 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 Owner or its agent as described herein upon 30 days' prior notice by the City to the Owner, at least annually during each year of the Project Term. Notwithstanding the foregoing sentence, this Section 13 shall terminate as of a Foreclosure Date.

SECTION 14. NO THIRD PARTY BENEFITS.

This Regulatory Agreement is made for the sole benefit of the City and the Owner and their respective successors and assigns and 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 15. 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.

SECTION 16. NO BUSINESS RELATIONSHIP WITH CITY ELECTED OFFICIALS

Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Regulatory Agreement, shall be grounds for termination of the Regulatory Agreement. The Owner hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to the Regulatory Agreement.

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SECTION 17. COOPERATION WITH OFFICE OF THE INSPECTOR GENERAL

Pursuant to Section 2-56-090 of the Municipal Code of Chicago, the Owner agrees to cooperate with the Office of the Inspector General of the City in any investigation or hearing undertaken pursuant to Section 2-56 of the Municipal Code of Chicago. The Owner hereby acknowledges and affirmatively states that the Owner understands and will abide by all provisions of Section 2-56 of the Municipal Code of Chicago.

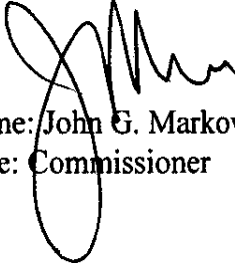
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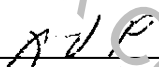
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IN WITNESS WHEREOF, the City and the Owner have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, by and through its
Department of Housing

By: 
Name: John G. Markowski
Title: Commissioner

COMMUNITY INVESTMENT CORPORATION, an Illinois not-for-profit corporation

By: 
Its: 

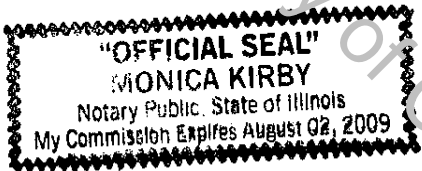
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STATE OF ILLINOIS)) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Angela Maxwell, personally known to me to be the Asst. Vice President of Community Investment Corporation, an Illinois not-for-profit corporation ("CIC"), personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such _____, s/he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act and deed of CIC for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 2nd day of June, 2007.



Monica Kirby
Notary Public

(SEAL)

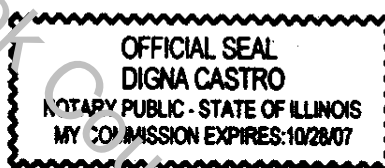
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STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT John G. Markowski, personally known to me to be the 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 Commissioner, he signed and delivered the said instrument pursuant to authority, as his 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 15th day of June, 2007.

Digna Castro
 Notary Public (SEAL)



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EXHIBIT A

LEGAL DESCRIPTION

THE NORTH 62 AND ½ FEET OF THE SOUTH 350 FEET OF THE EAST HALF OF BLOCK 10 (EXCEPT THE WEST 10 FEET THEREOF) IN FRINK'S RESUBDIVISION OF THE NORTH 36 ¼ ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 8 AND THE NORTH 36 ¼ ACRES OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 16-09-308-026

ADDRESS OF PROPERTY: 230-34 North Pine Avenue, Chicago, Illinois.

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EXHIBIT B

ANNUAL REPORT FOR THE CITY OF CHICAGO, DEPARTMENT OF HOUSING

Owner: _____

Project Name: _____

Project Number: _____

Owner Federal Employer Identification Number: _____

The Owner is required to maintain certain records concerning the Project and the City is entitled to monitor the Project's compliance with certain agreements which apply to the Project. The Owner is bound by that certain Regulatory Agreement in connection with the Project made by and between the City and Community Investment Corporation, an Illinois not-for-profit corporation (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 Owner, notarized and returned to the City by March 1 of each year as specified in the Regulatory Agreement. 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.

A. **INFORMATION**

1. Please list the building identification numbers and 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 Identification Number

Building Address

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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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 Owner, (b) in the identity of any general partner(s), if any, of the Owner, (c) in the ownership of any interests in any general partner of the Owner or in any shareholder, trustee or beneficiary of the Owner, 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 Owner since the date of the Regulatory Agreement or the most recent Annual Report?

Yes _____

No _____

If Yes, provide all the appropriate documents evidencing the change.

4. If this is the Owner's first filing of an Annual Report provide the Owner's organizational documents. If the Owner's organizational documents have been amended or otherwise modified since the filing of the last Annual Report, provide them to the City.
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.

B. REPRESENTATIONS, WARRANTIES AND COVENANTS

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

1. The Owner 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 Owner is [check as applicable] (a) _____ the owner of fee simple title to, or (b) _____ a ground lease interest in, or (c) _____ 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. (a) _____ of the residential unit(s) (the "Low-Income Units") in the Project are occupied by Low-Income Families (as hereinafter defined).

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- (b) _____ of the residential unit(s) (the "Moderate-Income Units") in the Project are occupied by Moderate-Income Families (as hereinafter defined).
- (c) For the 12-month period preceding the date hereof (the "Year"):
1. 100% of the residential units in the Project were both Rent-Restricted as contemplated by the Regulatory Agreement and occupied by individuals or families (the "Moderate-Income Families") whose income as of the first date of initial occupancy is 80% or less of the Area Median Gross Income;
 2. the Owner has received an annual income certification from each Moderate-Income Family in substantially the form attached hereto as Schedule II or in such other form as shall have been approved by the City and the Owner assisted each of the Moderate-Income Families in completing the Tenant Certifications if necessary;
 3. the rents for each Unit in the Project did not exceed 30% of the income of an individual or family earning 60% of the Area Median Gross Income;
 4. each building in the Project was suitable for occupancy, taking into account the health, safety and building codes of the City;
 5. all tenant facilities included in any building in the Project, such as swimming pools, other recreational facilities and parking areas, were provided on a comparable basis to all tenants in such building;
 6. if a Moderate-Income Unit became vacant during the Year, reasonable attempts were or are being made to rent such Moderate-Income Unit or the next available residential unit in the Project of a comparable size to one or more Moderate-Income Families before any residential units in the Project were or will be rented to tenants who are not Moderate-Income Families; and
 7. if after the first date of initial occupancy the income of any Moderate-Income Family increased above 140% of the applicable income limit described in (2) above, the next available residential unit in the Project of a comparable size was or will be rented to one or more Moderate-Income Families.
- (d) Schedule I attached hereto constitutes a true, correct and complete schedule showing, for the Year, the rent charged for each Unit in the Project and the income of the Low-Income Families in each Low-Income Unit and the income of the Moderate-Income Families in each Moderate-Income Unit.
5. The Project is in compliance with all of the currently applicable requirements of the Regulatory Agreement. The Owner will take whatever action is required to ensure that the Project complies with all requirements imposed by the Regulatory Agreement.

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The Owner shall retain, for the periods required under the Regulatory Agreement, 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 at reasonable times, and all tenancy-related documents to determine continued compliance of the Project with all applicable requirements.

6. No litigation or proceedings have been threatened or are pending which may affect the interest of the Owner in the Project or the ability of the Owner to perform its obligations with respect thereto, except as disclosed on Schedule III attached hereto.
7. The Owner 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 Owner 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 Owner 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 Owner 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 Owner 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 Owner is unable to make any representation or warranty set forth above, the Owner must immediately contact the City and inform the City of the reason that the Owner is unable to make such representation or warranty.

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

C. INDEMNIFICATION

The Owner 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

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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 Owner's responses or documents provided pursuant to the terms of this Annual Report including breaches of the representations and warranties herein contained.

IN WITNESS WHEREOF, the Owner has executed this Annual Report this _____ day of _____, _____.

OWNER:

By:

Its:

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

Notary Public

(SEAL)

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SCHEDULE I

Owner:

Mailing Address: _____

Date of Regulatory Agreement:

Project Name and No.:

Building Address:

1. Number of Residential Rental Units in this Building:

Studios _____ 1 Br _____ 2 Br _____ 3 Br _____
4 Br _____ 5 or more Br _____

Total Number of Residential Rental Units rented to Low-Income Families:

Studios _____ 1 Br _____ 2 Br _____
3 Br _____ 4 Br _____ 5 or more Br _____

Total Number of Residential Rental Units rented to Moderate-Income Families:

Studios _____ 1 Br _____ 2 Br _____
3 Br _____ 4 Br _____ 5 or more Br _____

2. (a) Note utilities paid by tenants:

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

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

LOW-INCOME UNITS:

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

MODERATE-INCOME UNITS:

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

3. If this is not the first Annual Report filed, has the rent in any Unit in the building identified above increased since the filing of the previous Annual Report?

Yes _____ No _____

If Yes, please provide details.

4. If this is not the first Annual Report filed, how many 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?

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- 5. What steps did the Owner take to insure that the new tenants qualified as Low-Income Families or Moderate-Income Families, as applicable?

- 6. If this is not the first Annual Report filed, have any Low-Income Families or Moderate-Income Families been evicted since the time of the last Annual Report?

Yes _____ No _____

If Yes, please provide details.

- 7. Has any legal or administrative action been instituted by any Low-Income Family or Moderate-Income Family against the Owner?

Yes _____ No _____

If Yes, please provide details.

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SCHEDULE II

TENANT CERTIFICATION

RE:

Chicago, Illinois

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

Address of Apartment:

Apartment Number:

There are certain requirements which must be met with respect to this 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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1. On the lines below, indicate the anticipated income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 during the 12-month period beginning this date:

<u>Name</u>	<u>Annual Wages/ Salary</u>	<u>Other Income</u>	<u>Total Income</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Capital Assets)

2. If any of the persons described above (or whose income or contributions were included in item (1)) has any real property, savings, stocks, bonds or other forms of capital investment, excluding interest in Indian Trust land and equity in a housing cooperative unit or in a manufactured home in which the family resides and except for necessary items of personal property such as furniture and automobiles, provide:

- a. the total value of all such assets owned by all such persons: \$ _____,
- b. the amount of income expected to be derived from such assets in the 12-month period commencing this date:
\$ _____, and
- c. the amount of such income which is included in item (1):
\$ _____.

(Students)

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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 of the apartment for which application is being made. I consent to and authorize the disclosure of such information to the City and any agent acting on its 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.

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 OWNER 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 saving 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 Unit, complete the following:

a. The amount entered in 1.c is: (place "x" on appropriate line)

_____ Less than \$ _____ which is the maximum income at which a household of _____ persons may be determined to be a Low-Income Family (as defined in the Annual Report).

_____ More than the above-mentioned amount.

_____ Less than \$ _____ which is the maximum income at which a household of _____ persons may be determined to be a Moderate-Income Family (as defined in the Annual Report).

_____ More than the above-mentioned amount.

b. Number of apartment unit assigned: _____

Applicant:

- _____ Qualifies as a Low-Income Family.
- _____ Does not qualify as a Low-Income Family.
- _____ Qualifies as a Moderate-Income Family.
- _____ Does not qualify as a Moderate-Income Family.

OWNER:

By:

Its:

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SCHEDULE III

LITIGATION SUMMARY

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