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This document prepared by
and when recorded return to:
Michael L. Gayno
Office of Corporation Counsel
Room 600
121 North LaSalle Street
Chicago, Illinois 60602

REGULATORY AGREEMENT

Aug THIS REGULATORY AGREEMENT entered into and effective this *26th* day of 2008 (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, Chicago, Illinois 60602, and Senior Suites Chicago Kelvyn Park, LLC, an Illinois limited liability company (the "Borrower").

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

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WHEREAS, the City has received from the United States Department of Housing and Urban Development ("HUD") an allocation of HOME Investment Partnerships Program ("HOME Program") grant funds, pursuant to the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701 et seq., as amended, supplemented and restated from time to time, which authorizes HUD to make funds available to participating jurisdictions to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, through, among other things, acquisition, new construction, reconstruction and rehabilitation; and

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

WHEREAS, the Borrower will utilize 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 received from DOH, in connection with the Project, an allocation of low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Tax Credits") in the amount described on Exhibit B hereto; and

WHEREAS, as a specific condition precedent to the Borrower receiving the Loan and in connection with the allocation of Tax Credits to the Project, 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:

"1937 Act" shall mean the United States Housing Act of 1937, 42 U.S.C. Section 1437 et seq.

"Affirmative Marketing Plan" shall mean the affirmative marketing plan submitted by the Borrower and approved by DOH.

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"Annual Report" shall mean the report from the Borrower 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.

"Applicable Fraction" shall have the meaning assigned to such term in Section 42(c)(1)(B) of the Code.

"Associated Person" shall mean any Person that includes the Borrower or those with whom the Borrower has or had family or business ties.

"Borrower" shall mean, initially, Senior Suites Chicago Kelvyn Park, LLC, an Illinois limited liability company, 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.

"Code" shall mean the Internal Revenue Code of 1986, and all applicable regulations or rulings thereunder.

"Completion Date" shall mean the date as of which (i) the necessary title transfer requirements and the construction and/or rehabilitation (as applicable) work have been performed, (ii) the Project complies with the requirements of the HOME Regulations (including meeting the property standards set forth in 24 C.F.R. Section 92.251), (iii) the final disbursement of Loan proceeds derived from HOME Funds for the Project shall have been made, and (iv) the project completion information has been entered in the disbursement and information system established by HUD.

"Compliance Period" shall mean the period of fifteen taxable years beginning with the first taxable year of the Credit Period.

"Correction Period" shall have the meaning assigned to such term in Section 7.7 hereof.

"Credit Period" shall mean the 10-year period described in Section 42(f) of the Code.

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

"Eligible Costs" shall mean those costs for which HOME Funds may be used to pay, as described in 24 C.F.R. Section 92.206.

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"Extended Use Period" shall mean the "extended use period" (within the meaning of Section 42(h)(6)(D) of the Code) for the Project.

"Extended Use Period Termination Date" shall mean the fifteenth anniversary of the last day of the Compliance Period.

"Family" shall have the meaning assigned to such term in 24 C.F.R. Section 5.403.

"First Reporting Date" shall mean the earlier of (a) October 1 of the first year of the Compliance Period, or (b) the first October 1 following completion of construction and/or rehabilitation (as applicable) of the Project.

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

"Gross Rent" shall have the meaning assigned to such term in Section 42(g) of the Code.

"HOME Funds" shall mean the HOME Program funds awarded by HUD to the City under the National Affordable Housing Act.

"HOME Program" shall mean the HOME Program created under the National Affordable Housing Act.

"HOME Regulations" shall mean 24 C.F.R. Part 92, and such additional regulations, orders, rulings, interpretations and directives for the HOME Program as may be promulgated or issued by HUD from time to time.

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

"Imputed Income Limitation" shall have the meaning assigned to such term in Section 42(g) of the Code.

"Increased-Income Unit" shall have the meaning given to such term in Section 2.9(b) hereof.

"Inspection Period" shall mean a period beginning on the date hereof and ending on the latest of (a) the Termination Date, (b) the last day of the Compliance Period, or (c) the fifth anniversary of the Repayment Date.

"Last Reporting Date" shall mean the later of (a) the first October 1 following the end of the Compliance Period, or (b) the first October 1 following the end of the Project Term.

"Loan Agreement" shall mean the Housing Loan Agreement, of even date herewith, between the City and the Borrower with respect to the Loan, 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 Families" 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. Notwithstanding the foregoing, HUD may establish an income ceiling that is higher or lower than 80 percent of the Chicago-area median income, and thereafter such income limit shall apply to this definition.

"Mortgage" shall mean that certain Junior Mortgage, Security Agreement and Financing Agreement on even date herewith from the Borrower to the City, as hereafter supplemented, amended and restated from time to time.

"National Affordable Housing Act" shall mean the Cranston- Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701 et seq.

"Noncompliance Condition" shall have the meaning assigned to such term in Section 7.7 hereof.

"Noncompliance Notice" shall have the meaning assigned to such term in Section 7.7 hereof.

"People" shall have the meaning assigned to such term in Section 2.28 hereof.

"Permitted Tenants" shall have the meaning assigned to such term in Section 7.4 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 date hereof and shall continue, except as provided in Sections 2.6, 2.19, 2.20, 2.21, 6.2, 7.4, 7.7 and 16 hereof, through and including the Termination Date.

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

"Renewal Date" shall have the meaning given to such term in Section 6.2(b) hereof.

"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).

"Source Documentation" shall have the meaning given to such term in Section 2.20 hereof.

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"State" shall mean the State of Illinois.

"Tax Credit Eligible Families" shall mean and include individuals, groups of unrelated individuals or families whose adjusted annual income does not exceed the Tax Credit Income Limit.

"Tax Credit Eligible Units" shall mean those units in the Project which will be occupied by or available for occupancy to Tax Credit Eligible Families.

"Tax Credit Termination Date" shall mean the earlier to occur of (a) a Foreclosure Date or (b) the Extended Use Period Termination Date; provided, however, that the "Tax Credit Termination Date" shall not mean a Foreclosure Date if such transfer of title to the Project by foreclosure or an instrument in lieu of foreclosure is part of an arrangement with the Borrower a purpose of which is to terminate the Extended Use Period.

"Tenant Certification" shall have the meaning assigned to such term in Exhibit D hereto.

"Termination Date" shall mean the latest to occur of (a) the HUD Restrictions Termination Date, (b) the Repayment Date, or (c) the Tax Credit Termination Date.

"Three-Year Period" shall mean a period commencing on the Tax Credit Termination Date (but only if the Tax Credit Termination Date shall be a Foreclosure Date) and ending on the third anniversary thereof.

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

"URA" shall have the meaning assigned to such term in Section 2.28 hereof.

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

"Very Low-Income Family" shall mean any Low-Income Family whose annual income does not exceed 50 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. Notwithstanding the foregoing, HUD may establish an income ceiling that is higher or lower than 50 percent of the Chicago-area median income, and thereafter such income limit shall apply to this definition.

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 AND COVENANTS.

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

2.1 Attached hereto as Exhibit C and hereby made a part hereof is a description of the use of the Loan proceeds, including the tasks to be performed, a Construction Schedule and a Project Budget. The Borrower shall use the Loan proceeds solely for Eligible Costs in connection with the Project. No Loan proceeds shall be used for activities described in 24 C.F.R. Section 92.214.

2.2 The Project shall be acquired, constructed and/or rehabilitated, as applicable, 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.

2.3 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 or transitional housing for the homeless, in which case such unit(s) shall comply with the applicable requirements of Section 42 of the Code).

2.4 None of the units in the Low-Income Project shall at any time be used on a transient basis, and neither the Low-Income 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 (a) After completion of the construction and/or rehabilitation, as applicable, of the Project and subject to Section 2.9(a) hereof, all of the Tax Credit Eligible Units shall be occupied or available for occupancy by Tax Credit Eligible Families.

(b) After completion of the construction and/or rehabilitation, as applicable, of the Project and subject to Sections 2.9(c) and 2.11 hereof, all of the units in the Low-Income Project shall be occupied by households who are Low-Income Families. [§92.252(a)(3); 92.504(c)(3)(iv)]

2.6 (a) After completion of the construction and/or rehabilitation, as applicable, of the Project and prior to the Tax Credit Termination Date, the Gross Rent charged each month for any Tax Credit Eligible Unit shall not exceed at any time 30 percent of the Imputed Income Limitation applicable to such Tax Credit Eligible Unit.

(b) Following the Tax Credit Termination Date, but only if the Tax Credit Termination Date is a Foreclosure Date, the rent increase restriction contained in Section 42(h)(6)(E)(ii) of the Code shall apply to each Tax Credit Eligible Unit for the Three-Year Period; if such Tax Credit Termination Date is also the Termination Date, such rent increase restriction shall survive beyond the Termination Date for the duration of the Three-Year Period.

2.7 The rents for all the units in the Low-Income Project shall not exceed the lesser of (a) the fair market rent for comparable units in the area as established by HUD under 24 C.F.R. Section 888.111, less Utilities or (b) 30 percent of the adjusted income of a Family whose gross

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income equals 60 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. Notwithstanding the foregoing, the City may establish an income ceiling higher or lower than 60 percent of the median income for the Chicago area (which shall not in any event exceed the maximum income ceiling permitted under the HOME Regulations), and thereafter such income ceiling shall apply. [§92.252(a)]

2.8 A minimum of 20 percent of the units in the Low-Income Project shall be either (a) occupied by Very Low-Income Families who pay not more than 30 percent of the Family's monthly adjusted income, as determined by HUD, for rent (excluding any federal or State rental subsidy provided on behalf of the Family) less Utilities; or (b) occupied by Very Low-Income Families and bearing rents not greater than 30 percent of the gross income of a Family whose income equals 50 percent of the median income for the Chicago area, adjusted for Family size, and as such monthly adjusted income and Chicago-area median income are determined from time to time by HUD, less Utilities. [§92.252(b)]

2.9(a) For purposes of satisfying the requirements set forth in Section 2.5(a) above, a Tax Credit Eligible Unit occupied by a Tax Credit Eligible Family whose income has exceeded the applicable Tax Credit Income Limit after initial occupancy of such Tax Credit Eligible Unit by such Tax Credit Eligible Family shall, subject to paragraph (b) of this Section 2.9, be deemed to comply with Section 2.5(a) hereof if the rent for such Tax Credit Eligible Unit complies with Section 2.6 hereof.

(b) A Tax Credit Eligible Unit (the "Increased-Income Unit") occupied by a Tax Credit Eligible Family whose income has increased above 140 percent of the Tax Credit Income Limit shall be deemed to comply with Section 2.5(a) hereof if the rent for the Increased-Income Unit complies with Section 2.6 hereof, but only if all units (i) in the same building as the Increased-Income Unit, (ii) of a comparable size with or smaller than the Increased-Income Unit, and (iii) which are then available or subsequently become available, are occupied by a new tenant who is a Tax Credit Eligible Family.

(c) Sections 2.5(b) and 2.8 shall be deemed satisfied, despite a temporary noncompliance therewith, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this Regulatory Agreement until the noncompliance is corrected. [§92.252(i)(1)]

2.10 The rents described in Sections 2.7 and 2.8 as prepared by the Borrower shall be subject to review and approval by DOH annually and shall be less than the maximum amount(s) provided by DOH annually to the Borrower for the Project. The amount(s) proposed by the Borrower as Utilities shall also be subject to the annual review and approval of DOH. The Borrower shall not increase rents for units of the Project during any year during the Project Term until after receiving the updated maximum rent limits for such year from DOH; any such rent increase shall thereafter be promptly reported by the Borrower in writing to DOH. [§92.252(f)]

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2.11 100 percent of the units in the Low-Income Project shall, at all times during the Project Term, be occupied by Families whose adjusted annual incomes at initial occupancy do not exceed 60 percent of the median Family income for the Chicago area, as determined by HUD. Notwithstanding the foregoing, HUD may establish an income ceiling higher or lower than 60 percent of the median income for the Chicago area in accordance with 24 C.F.R. Section 92.216, and thereafter such income ceiling shall apply. [§92.216]

2.12 (a) The Tax Credit Eligible 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 Tax Credit Eligible Units in the Project to any particular class or group of individuals other than Tax Credit Eligible Families as provided herein.

(b) The Borrower shall not refuse to lease any unit of the Project to a holder of a voucher or certificate of eligibility under Section 8 of the 1937 Act or under 24 C.F.R. Part 982, or of a comparable document evidencing participation in a HOME Program tenant-based rental assistance program because of the status of the prospective tenant as a holder of such voucher, certificate or comparable HOME Program tenant-based assistance document. [§92.252(d); §42(h)(6)(B)(iv)]

2.13 All tenant leases for Tax Credit Eligible Units and the Low-Income Project shall be written, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance and the HOME Regulations, 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 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 All tenant leases for Tax Credit Eligible Units shall be for a period of not less than six months; provided, however, that notwithstanding the foregoing, each tenant lease for a Tax Credit Eligible Unit constituting a "single-room occupancy unit" within the meaning of Section 42(i)(3)(B)(iv) of the Code shall be for a period of not less than one month.

2.15 All leases for the Low-Income Project shall be for a period of not less than one year, unless by mutual agreement of the tenant and the Borrower. Notwithstanding the foregoing, rents will not be set more than one year in advance. Leases for units in the Low-Income Project shall not contain any of the following provisions:

- (a) agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease;
- (b) agreement by the tenant that the Borrower may take, hold or sell personal property of household members without notice to the tenant and a court decision on the

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rights of the parties (this prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit; the Borrower may dispose of this personal property in accordance with applicable local and State law);

- (c) agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent;
- (d) agreement by the tenant that the Borrower may institute a lawsuit without notice to the tenant;
- (e) agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties;
- (f) agreement by the tenant to waive any right to a trial by jury;
- (g) agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; or
- (h) agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant (provided, however, that the tenant may be obligated to pay costs if the tenant loses).
[§92.253(a) and (b)]

2.16 (a) The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of the Low-Income Project except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable federal, State or local law, or for other good cause. Any refusal to renew shall be preceded by not less than 30 days by the Borrower's service upon the tenant of a written notice specifying the grounds for the action. For each tenant of the Low-Income Project whose tenancy is to be terminated, the Borrower shall provide a written notice specifying the grounds for termination to such tenant and shall not cause any such tenant to be evicted less than 30 days after receipt by the tenant of such written notice. [§92.253(c)]

(b) The Borrower shall not evict or terminate the tenancy of any tenant of a Tax Credit Eligible Unit other than for good cause.

2.17 Any increase in rents on the Low-Income Project shall be subject to the provisions of outstanding leases. Where the leases allow an increase in rent, the Borrower shall provide tenants with not less than 30 days' prior written notice before implementing any increase in rents. [§92.252(f)(3)]

2.18 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

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the Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and shall be 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.

2.19 (a) The Borrower shall obtain and keep the records required under the Plan and 26 C.F.R. Section 1.42-5(b) for the periods described therein.

(b) The Borrower shall maintain records evidencing compliance with all the requirements of the HOME Program for the Low-Income Project; such records shall be maintained for the Inspection Period.

(c) Subject to Section 6.2 hereof, this Section shall survive beyond the Termination Date.

2.20 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 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 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 Low-Income Project. The first Tenant Certification obtained from any tenant shall have attached thereto copies of source documentation (e.g., wage statements, interest statements and unemployment compensation statements) for such tenants' income (the "Source Documentation"). Each Tenant Certification shall be kept on file with the Borrower during the Inspection Period; subject to Section 6.2 hereof, this covenant shall survive beyond the Termination Date. The Borrower shall assist each of the tenants in the Low-Income Project in completing the Tenant Certification if necessary. If the Borrower shall become aware of evidence that any Tenant Certification failed to state completely and accurately information about the Family size or income of the applicable tenants, the Borrower shall examine Source Documentation for such tenants. If the HUD Restrictions Termination Date is not less than 10 years after the Completion Date, the Borrower shall examine, during the sixth year following the Completion Date and every sixth year thereafter during the Project Term, Source Documentation evidencing annual income for each tenant in any unit of the Low-Income Project. [§92.252(h)]

2.21 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 October 1 thereafter through and including the Last Reporting Date. Subject to Section 6.2 hereof, this covenant shall survive beyond the Termination Date.

2.22 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 Low-Income Project and for

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each Tax Credit Eligible Unit within 30 days after such unit is leased to such tenant(s) (or, for units occupied by Low-Income Families or Tax Credit Eligible Families as of the date hereof, within 30 days from the date hereof). For each unit in the Low-Income Project, promptly after the first leasing of such unit after the Completion Date, 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 (a) the tenants, if any, occupying such unit before rehabilitation, (b) the tenants moving into such unit initially after completion of construction and/or rehabilitation, as applicable, of the Project, and (c) the applicants for tenancy of such unit within 90 days following the Completion Date. 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. [§92.508(a)(7)(A)]

2.23 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.

2.24 For every unit in the Low Income Project (other than a unit occupied by a Family receiving Section 8 tenant-based rental housing assistance or tenant-based rental assistance provided with HOME Funds), the Borrower shall comply with affirmative marketing requirements established by 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 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 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 Low-Income Project, those who apply for leases for such units, and those who actually sign such leases; and
- (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.

2.25 The Borrower has submitted to the City a tenant selection plan containing policies and criteria that: (a) are consistent with the purpose of providing housing for Very Low-Income Families and Low-Income Families, (b) are reasonably related to HOME Program

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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 federal preference under Section 6(c)(4)(A) of the 1937 Act, 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. [§92.253(d)]

2.26 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. In addition, 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.

2.27 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).

2.28 The Borrower shall take all reasonable steps to minimize the displacement of Families, individuals, businesses, not-for-profit organizations and farms (herein for the purposes of this paragraph collectively called "People") as a result of the Project. If displacement of People does occur as a result of the Project, the Borrower shall comply with the requirements of 24 C.F.R. Section 92.353, with respect to, among other things, temporary and permanent relocation of displaced People. The Borrower shall provide or cause all "displaced persons" (as defined in 24 C.F.R. Section 92.353(c)(2)) to be provided with relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), 42 U.S.C. Section 4601 et seq., and 49 C.F.R. Part

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24, and shall cause all such "displaced persons" to be advised of their rights under the Fair Housing Act, 40 U.S.C. Section 3601 et seq. [§92.353]

2.29 The acquisition of the real property on which the Project is located is subject to the requirements of the URA and the requirements of 49 C.F.R. Part 24, Subpart B. [§92.353(f)]

2.30 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. Part 35 and 24 C.F.R. Section 982.401(j) (except Section 982.401(j)(1)(i)), 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. [§92.355]

2.31 The Borrower 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.

2.32 Following completion of construction and/or rehabilitation, as applicable, of the Project and throughout the Project Term, all of the units in the Project shall be suitable for occupancy and the Borrower shall keep the Project in compliance with (a) the Multi-Unit Rehabilitation Construction Guidelines of DOH, (b) the accessibility requirements at 24 C.F.R. Part 8 which implement Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, (c) the design and construction requirements at 24 C.F.R. §100.205 which implement the Fair Housing Act, 42 U.S.C. §§3601-19, and (d) all applicable local codes, rehabilitation standards, ordinances and zoning ordinances. [§92.251]

2.33 The Borrower shall not request disbursement of HOME Funds until the HOME Funds are needed to pay for Eligible Costs of the Project. The amount of each such request shall not exceed the amount needed. [§92.504(c)(viii)]

2.34 The Borrower is not a primarily religious organization and the Project will be used solely for secular purposes. [§92.257]

2.35 (a) 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 HOME 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.

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(b) No individual who is an officer, employee, agent, consultant or elected or appointed official of the Borrower shall occupy a residential unit in the Project, except for any such individual who shall occupy a unit as the Project manager or maintenance worker. [§92.356]

2.36 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Borrower contained in (i) the Borrower's application for the Loan, (ii) the Borrower's application for Tax Credits, and (iii) any other document submitted by the Borrower to the City in connection with the Project remain true and in effect as of the date hereof.

2.37 The Borrower agrees that it will pay any reasonable fee which the City may hereafter assess in its sole discretion to underwrite the costs of monitoring activities performed by the City in connection with the Tax Credits allocated for the Project.

2.38 The Project shall constitute, during each year of the Extended Use Period, a "qualified low-income housing project" as defined in Section 42 of the Code, commencing with the first year of the Compliance Period and continuing until the end of the Extended Use Period.

2.39 The Borrower shall inform DOH of the date the Tax Credit Eligible Units are "placed in service" within the meaning of Section 42 of the Code and of the dollar amount of Tax Credits to be claimed by the Borrower with respect to the Project and shall provide DOH with a cost certification and all other documentation required by DOH to issue an Internal Revenue Service Form 8609 with respect to the Tax Credit Eligible Units, all within 60 days following such "placed-in-service" date.

2.40 The Borrower shall provide DOH with a copy of the completed, fully executed Internal Revenue Service Form 8609 with respect to the Tax Credit Eligible Units for the first year of the Credit Period, at the same time that the Borrower submits such Form 8609 to the Internal Revenue Service.

2.41 No individual providing consultant services in an employer-employee type relationship with the Borrower shall be compensated in excess of the limits specified in 24 C.F.R. Section 92.358.

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

SECTION 3. AGREEMENT TO PROVIDE LOAN, START CONSTRUCTION; COMPLETION DATE.

3.1 The City agrees to provide the Loan to the Borrower in accordance with the terms and conditions of the Loan Agreement, for the purposes described on Exhibit C hereto. The Borrower agrees to start construction on the Project within 12 months from the date hereof.

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3.2 The City agrees to provide, upon the written request of the Borrower, a certification, in a form eligible for recordation in the conveyance and real property records of the county in which the Project is located, identifying the Completion Date promptly after such date. The Borrower shall pay all expenses of recordation of such certificate.

SECTION 4. 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, Tax Credit Eligible Families 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 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 (i) each potential tenant in the Low-Income Project qualifies as a Low-Income Family, and (ii) that each potential tenant for a Tax Credit Eligible Unit qualifies as a Tax Credit Eligible Family, and that in making each such determination, the Borrower shall exercise due diligence.

SECTION 5. 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 and except as provided on Exhibit B hereto. The Borrower hereby agrees and covenants that no portion of any building to which this Regulatory Agreement applies shall be transferred to any Person unless all of such building is transferred to such Person. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 5 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 6. TERM.

6.1 This Regulatory Agreement shall become effective as of the date hereof. Subject to Sections 2.6, 2.19, 2.20, 2.21, 6.2, 7.4, 7.7 and 16 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.

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6.2 (a) Subject to the terms of Sections 2.6, 6.2(b) and (c) and 7.4 hereof and before the HUD Restrictions Termination Date, the terms and provisions of this Regulatory Agreement shall cease to be enforceable as of a Foreclosure Date subject to the following conditions:

- (i) the Foreclosure Date shall be on or after the Tax Credit Termination Date; and
- (ii) the Transfer on the Foreclosure Date shall:
 - (1) recognize any contractual or legal rights of public agencies, nonprofit sponsors or others to take actions that would avoid termination of low-income affordability of the Project, and
 - (2) not be for the purpose of avoiding low-income affordability restrictions pertaining to the Project, as determined by HUD.

(b) If at any time following the occurrence of a cessation of enforceability of the terms and provisions of this Regulatory Agreement pursuant to Section 6.2(a) hereof, but not later than the HUD Restrictions Termination Date, the Borrower or any Associated Person obtains an ownership interest in the Project, the terms and provisions of this Regulatory Agreement shall again be enforceable as of the date (the "Renewal Date") the Borrower or any Associated Person obtains such interest. If a Renewal Date shall occur on or after the Tax Credit Termination Date, the terms and provisions of Sections 2.5(c), 2.6(a), 2.9(a), 2.9(b), 2.12(a), 2.14 and 2.38 and the parenthetical in Section 2.3 hereof and Sections 1, 3(c), 3(f) and 13 of Part II to Exhibit B hereto shall, subject to Sections 2.6(b), 2.19, 2.20, 2.21, 6.2(c), 7.4, 7.7 and 16, cease and terminate as of such Renewal Date.

(c) Neither (1) any cessation of enforceability of the terms and provisions of this Regulatory Agreement pursuant to Section 6.2(a) hereof, (2) the termination of the terms and provisions of this Regulatory Agreement pursuant to Section 6.2(d) hereof, nor (3) the occurrence of the Tax Credit Termination Date (but only if the Tax Credit Termination Date is also a Foreclosure Date) or of a Renewal Date, shall be construed to permit, during the Three-Year Period, either (i) the eviction or termination of the tenancy (other than for good cause) of an existing tenant of any Tax Credit Eligible Unit, or (ii) any increase in the Gross Rent with respect to any Tax Credit Eligible Unit not otherwise permitted under Section 42 of the Code.

(d) Subject to the provisions of Sections 2.6(b), 6.2(c) and 7.4 hereof and prior to the Termination Date, the terms and provisions of this Regulatory Agreement shall cease and terminate upon a Transfer, subject to the following conditions:

- (i) if the Transfer shall occur prior to the HUD Restrictions Termination Date, the terms and conditions hereof shall cease and terminate as of the

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HUD Restrictions Termination Date, but only if the HUD Restrictions Termination Date shall occur on or after the Tax Credit Termination Date,

(ii) if the Transfer shall occur on or after the HUD Restrictions Termination Date and after the Tax Credit Termination Date, the terms and conditions hereof shall cease and terminate on the date of such Transfer, and

(iii) if the Transfer shall occur on or after the HUD Restrictions Termination Date and on or prior to the Tax Credit Termination Date, the terms and provisions hereof shall cease and terminate as of the Tax Credit Termination Date.

SECTION 7. ENFORCEMENT.

7.1 Subject to Section 7.7 hereof, 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 or the Internal Revenue Service 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 or the Internal Revenue Service) 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 continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

7.2 The Borrower shall repay, as a recourse obligation of the Borrower, to the City upon demand the amount described in Section 3.07(d) of the Loan Agreement, as a repayment of the Loan, pursuant to the terms and conditions of Section 8.06(c) of the Loan Agreement. [§92.205(d), §92.503, §92.504(2)]

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7.3 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 7 shall be the sole responsibility of the Borrower.

7.4 The Borrower and the City each acknowledge that a primary purpose of requiring the Borrower to comply with the restrictions provided in this Regulatory Agreement is to assure compliance of the Project and the Borrower with Section 42 of the Code and for that reason and the Borrower, in consideration of receiving Tax Credits for the Project, agrees and consents that the City and any Permitted Tenant shall be entitled, for any breach of the provisions hereof, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Borrower of its obligations under this Regulatory Agreement in a court of competent jurisdiction. To the extent permitted by law, all individuals who are or may qualify as Tax Credit Eligible Families with respect to the Project (whether as prospective, present or former tenants of the Project) (the "Permitted Tenants") shall have the right to enforce in any court of the State the requirement of Section 13(f) of Part II to Exhibit B hereto and the terms of Section 6.2(c) hereof.

7.5 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.

7.6 Upon any failure of the Borrower to comply fully with the Code, the covenants and agreements contained herein or with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of Treasury, the Internal Revenue Service or the City from time to time pertaining to the obligations of the Borrower as set forth therein or herein, and upon compliance by the City with the procedures described in Section 7.7 hereof, the City may, in addition to all of the remedies provided by law or in equity, request the Internal Revenue Service to decertify the Project for Tax Credit dollars and to immediately commence recapture of the Tax Credit dollars heretofore allocated to the Project.

7.7 The City shall provide prompt written notice (a "Noncompliance Notice") to the Borrower if the City (a) does not receive from the Borrower an Annual Report when due, (b) is not permitted to inspect, as provided in Section 16 hereof, the records maintained by the Borrower pursuant to Section 2.19(a) hereof, or (c) discovers by inspection, review or in some other manner that the Project is not in compliance with the provisions of Section 42 of the Code. The Noncompliance Notice shall specify a period (the "Correction Period") during which the Borrower is required to correct the condition (the "Noncompliance Condition") causing the production of the Noncompliance Notice. After the end of the Correction Period (and within 45 days of the end of such period), the City shall file with the Internal Revenue Service Form 8823 describing the Noncompliance Condition, whether or not the Noncompliance Condition shall have been corrected during the Correction Period. Subject to Section 6.2 hereof, this Section 7.7 shall survive beyond the Termination Date, if the Termination Date shall occur prior to October 1 of the second calendar year following the end of the Compliance Period.

SECTION 8. RECORDING AND FILING.

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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. The Borrower agrees that the City may withhold the Internal Revenue Service Form 8609 with respect to the Project unless and until the City has received the recorded executed original of this Regulatory Agreement.

SECTION 9. 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, subject to Section 6.2 hereof. 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 10. 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. In the event of any conflict between this Regulatory Agreement and the National Affordable Housing Act, the HOME Regulations or Section 42 of the Code, the requirements of the National Affordable Housing Act, the HOME Regulations or Section 42 of the Code, as applicable, shall control.

SECTION 11. 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. The Borrower hereby expressly agrees to enter into all amendments hereto which, in the opinion of the City, are reasonably necessary for maintaining

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compliance under the National Affordable Housing Act, the HOME Regulations and Section 42 of the Code.

SECTION 12. 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, Suite 200
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 500
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.

SECTION 13. SEVERABILITY.

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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 14. 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 15. EFFECTIVE DATE.

For purposes of Section 42 of the Code, this Regulatory Agreement shall be deemed to be in effect as of the date first set forth above.

SECTION 16. RIGHT TO INSPECT.

Subject to Section 6.2 hereof and upon 30 days' prior notice to the Borrower, the Borrower shall permit, and shall cause any management agent for the Project to permit, the City, HUD and/or the Comptroller General of the United States to inspect the Project at all reasonable times and access thereto shall be permitted for that purpose. At any time during normal business hours and as often as the City, HUD and/or the Comptroller General of the United States may deem necessary, the Borrower shall make available to the City, HUD and/or representatives of the Comptroller General of the United States all of its records with respect to matters covered by this Regulatory Agreement. The Borrower shall permit, and shall cause any management agent for the Project to permit, the City, HUD and/or representatives of the Comptroller General of the United States to audit, examine and make excerpts or transcript from such records, and to make copies of records relating to personnel, conditions of employment and other data covered by this Regulatory Agreement.

SECTION 17. NO THIRD PARTY BENEFITS.

Subject to Section 7.4 hereof, this Regulatory Agreement is made for the sole benefit of the City and the Borrower and their respective successors and assigns and, except as provided in Section 7.4 hereof or otherwise 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 18. 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

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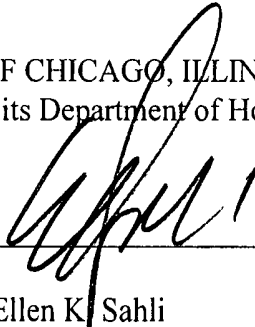
include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, rulings, notices and circulars.

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, acting by and through its Department of Housing

By:  _____

Name: Ellen K. Sahli

Title: Commissioner

SENIOR SUITES CHICAGO KELVYN PARK, LLC, an Illinois limited liability company

By: Senior Suites Chicago Corporation, an Illinois corporation and its sole managing member

By: _____

Name: _____

Title: _____

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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, acting by and through its Department of Housing


By: _____

Name: Ellen K. Sahli

Title: Commissioner

SENIOR SUITES CHICAGO KELVYN PARK, LLC, an Illinois limited liability company

By: Senior Suites Chicago Corporation, an Illinois corporation and its sole managing member

By:  _____

Name: Robert Gawronski

Title: Assistant Treasurer

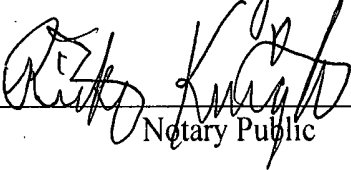
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Ellen K. Sahli, 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, she signed and delivered the said instrument pursuant to authority, as 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 26th day of August, 2008.



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 Robert Cavonius, personally known to me to be the Assistant Treasurer of Senior Suites Chicago Corporation (the "Managing Member"), an Illinois corporation and sole managing member of Senior Suites Chicago Kelvyn Park, LLC (the "Borrower"), an Illinois limited liability company, 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 acknowledged that as such Assistant Treasurer he/she signed and delivered the said instrument pursuant to authority given by the Board of Directors of the Managing Member, and as his/her respective free and voluntary act and deed and as the free and voluntary act and deed of the Managing Member and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 26th day of August, 2008.

[Signature]
Notary Public

(SEAL)



CLERK OF COOK COUNTY CLERK'S OFFICE

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EXHIBIT A

Legal Description:

LOTS 1 TO 11, BOTH INCLUSIVE, IN VOGNILD AND JENISCH'S RESUBDIVISION OF BLOCK 5 IN SAMUEL S. HAY'S KELVIN GROVE ADDITION, SAID ADDITION BEING A SUBDIVISION OF THE SOUTHWEST ¼ OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 28, 1913 AS DOCUMENT 5234635, IN COOK COUNTY, ILLINOIS.

PINs:

13-27-304-001-0000
13-27-304-002-0000
13-27-304-003-0000
13-27-304-004-0000
13-27-304-005-0000
13-27-304-006-0000
13-27-304-007-0000
13-27-304-008-0000
13-27-304-009-0000
13-27-304-010-0000

Common Address:

2715 North Cicero Avenue, Chicago, Illinois 60639

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EXHIBIT B

I. ADDITIONAL DEFINITIONS

"Davis-Bacon Act" shall mean 40 U.S.C. Section 276a et seq.

"Housing Act Section 3" shall mean Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. Section 1701u.

"HUD Restrictions Termination Date" shall mean the twentieth anniversary of the Completion Date.

"Loan" shall mean a loan by the City to the Borrower in the principal amount of \$5,618,115 for financing a portion of the costs of construction of the Project.

"Low-Income Project" shall mean the 85 units in the Project financed with HOME Funds and required to be occupied by Low-Income Families.

"Plan" shall mean the Housing Tax Credit Plan of the City for the year 2007 (with respect to \$783,824 of the Tax Credits) and for the year 2008 (with respect to \$41,176 of the Tax Credits) pursuant to which Tax Credits were allocated to the Project.

"Project" shall mean the one building to be located at 2701-2733 North Cicero Avenue, Chicago, Illinois, and which shall contain, as of the completion of construction thereof, 85 units for occupancy by low- and moderate-income Senior Citizens.

"Section 3 Regulations" shall mean 24 C.F.R. Part 135, and such additional regulations, orders, rulings, interpretations and directives in connection with Housing Act Section 3 as may be promulgated or issued by HUD from time to time.

"Senior Citizen" shall mean a person 62 years of age or older.

"Senior Lender" shall mean Harris N.A., located at 111 West Monroe Street, Chicago Illinois 60603, and its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the principal amount of \$2,232,000 for financing a portion of the costs of construction of the Project.

"Senior Mortgage" shall mean that certain Construction Mortgage, Personal Property Security Agreement, Assignment of Leases and Rentals and Financing Statement dated as of the date hereof granted by the Borrower to the Senior Lender and securing repayment of the Senior Loan.

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"Tax Credit Income Limit" shall mean 60 percent of the Chicago-area median income, adjusted for Family size, as such adjusted income and Chicago-area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

II. ADDITIONAL REPRESENTATIONS AND COVENANTS OF BORROWER.

1. At least 85 of the units in the Project shall be Tax Credit Eligible Units. The Borrower received an allocation of \$825,000 of Tax Credits from the City in connection with the Project.

2. Thirty-four (40%) of the units in the Low-Income Project shall be occupied by Very-Low Income Families.

3. (a) The Project shall consist of the following unit configuration with the following initial rents:

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Rent</u>
Studio	10	\$650
Studio	15	\$680
1-bedroom	24	\$700
1-bedroom	36	\$800

(b) The Low-Income Project shall consist initially of the following unit configuration for Low-Income Families with the following initial rents:

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Rent</u>
Studio	10	\$650
Studio	15	\$680
1-bedroom	24	\$700
1-bedroom	36	\$800

(c) The Tax Credit Eligible Units in the Project shall consist initially of the following:

<u>Number of Bedrooms</u>	<u>Number of Units</u>
Studio	25
1-bedroom	60

(d) The principal amount of the Loan (i.e., \$5,618,115) divided by the total number of units in the Low-Income Project (i.e., 85) equals \$66,095.47 per each such unit, which is greater than the minimum per-unit requirement of 24 C.F.R. Section 92.205(c) (i.e., \$1,000 per unit).

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(e) The product of the total number of units in the Low-Income Project multiplied by the applicable maximum per-unit subsidy provided in 24 C.F.R. Section 92.250(a) (i.e., \$6,971,460), as shown below, is greater than the principal amount of the Loan (i.e., \$5,618,115):

<u>No. of Bedrooms</u>	<u>No. of Units</u>	<u>Maximum Subsidy Elevator Building</u>	<u>Product</u>
Studios	25	\$74,340	\$1,858,500
One Bedroom	60	\$85,216	\$5,112,960
Two Bedroom	0	\$103,622	\$0
Three Bedroom	0	\$134,051	\$0
Four + Bedroom	0	\$147,147	\$0
TOTAL:			\$6,971,460

(f) The Applicable Fraction for each building in the Project shall be, for each taxable year in the Extended Use Period, not less than the following amount:

<u>Building Address</u>	<u>Applicable Fraction</u>
2701-2733 North Cicero Avenue Chicago, Illinois 60639	100%

4. Intentionally Omitted

5. Intentionally Omitted

6. Prevailing Wage Rates. (a) The applicable provisions are set forth in detail in Form HUD-4010 and the U.S. Secretary of Labor's wage determination, which are attached hereto as Exhibits F and G and hereby made a part hereof. Such wage determination is based upon the applicable wages and fringe benefits found to be prevailing as of the date hereof. If construction on the Project shall not have commenced within 90 days following the date hereof, the wage determination attached hereto may be superseded by a subsequent determination. If construction on the Project shall not have commenced within 85 days following the date hereof, the Borrower shall so inform the City by such 85th day, and the City shall thereafter inform the Borrower by the 90th day following the date hereof as to whether a subsequent wage determination shall apply to the Project. If a subsequent wage determination shall apply to the Project, the Borrower agrees to comply with the City in causing an amendment to this Regulatory Agreement to be executed and recorded attaching such subsequent wage determination hereto.

(b) The Borrower shall comply with the provisions of Form HUD-4010 and the applicable wage determination, and shall ensure that Form HUD-4010 and the U.S. Secretary of Labor's wage determination are attached to and incorporated in all bid specifications, the Construction Contract with the General Contractor and subcontracts with respect to the Project,

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to the extent and as required in Form HUD-4010 (including, if applicable, amending the Construction Contract, if executed prior to the date hereof, and causing to be amended all existing bid specifications and subcontracts).

(c) In the event of any issues or disputes arising with respect to amounts due as wages to be paid in connection with the Project and/or as liquidated damages under the Contract Work Hours and Safety Standards Act, the Borrower agrees to execute, or cause the applicable contractor or subcontractor to execute, a Labor Standards Deposit Agreement (in the form attached hereto as Exhibit H or such other form as shall be specified by the City) and to deposit, or cause to be deposited, funds in the amount designated by the City, to be held and disbursed as specified in such Labor Standards Deposit Agreement.

7. Following construction and throughout the Project Term, the Project shall comply with the requirements in the then current edition, as of completion of construction, of the Model Energy Code published by the Council of American Building Officials.

8. Intentionally Omitted

9. The first sentence of Section 5 is hereby modified by adding the following language:

provided, however, that after payment in full of the Loan and all other amounts due and payable to the City under the Loan Documents, such permission by the City shall not be unreasonably withheld.

10. The Project shall be constructed in accordance with the Construction Schedule, the Project Budget and any Change Orders hereafter approved by the City.

11. For purposes of Section 12, the Borrower's address shall be:

Senior Suites Chicago Kelvyn Park, LLC
111 West Wacker Drive, Suite 2200
Chicago, Illinois 60601
Attention: William B. Kaplan

With Copies to: Katten Muchin Rosenman LLP
525 West Monroe Street
Suite 1900
Chicago, Illinois 60661-3693
Attention: David Cohen

and

BCP/SS Chicago Kelvyn Park, LLC

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BCCC, Inc.
c/o Boston Capital Partners
One Boston Place, Suite 2100
Boston, Massachusetts 02108
Attention: Asset Management

and

Holland & Knight, LLP
10 St. James Avenue
Boston, Massachusetts 02116
Attention: Kristin A. DeKuiper, Esq.

12. (a) The work to be performed in connection with the Project is subject to the requirements of Housing Act Section 3. The purpose of Housing Act Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Housing Act Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income individuals, particularly individuals who are recipients of HUD assistance for housing.

(b) The Borrower hereby agrees to comply with the Section 3 Regulations in connection with the Project. As evidenced by its execution of this Regulatory Agreement, the Borrower hereby certifies that it is under no contractual or other impediment that would prevent the Borrower from complying with the Section 3 Regulations in connection with the Project.

(c) The Borrower hereby agrees to (1) send to each labor organization or representative of workers with which the Borrower has a collective bargaining agreement or other understanding, if any, and which concerns workers whose positions are subject to compliance with the Section 3 Regulations in connection with the Project, a notice advising the labor organization or workers' representative of the Borrower's commitments under this Section, and (2) post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Housing Act Section 3 preference and shall set forth: (i) the minimum number of jobs and job titles subject to hire, the availability of apprenticeship and training positions, and the qualifications for each; (ii) the name and location of the Person(s) taking applications for each of the positions; and (iii) the anticipated date the work shall begin.

(d) The Borrower hereby agrees to (1) include the language contained in this Section in every contract entered into by the Borrower in connection with the Project and subject to compliance with the Section 3 Regulations, including the Construction Contract, and (2) take appropriate action, as provided in an applicable provision of such contract or in this Section, upon a finding that any Person with whom the Borrower contracts, including the General Contractor, is in violation of the Section 3 Regulations. The Borrower covenants and agrees that

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the Borrower shall not contract with any Person in connection with the Project where the Borrower has notice or knowledge that such Person has been found in violation of the Section 3 Regulations.

(e) The Borrower agrees to cause the General Contractor to (1) include the language contained in this Section in every Subcontract subject to compliance with the Section 3 Regulations, and (2) take appropriate action, as provided in an applicable provision of such Subcontract or in this Section, upon a finding that any Subcontractor with whom the General Contractor contracts is in violation of the Section 3 Regulations. The Borrower shall cause the General Contractor to agree that the General Contractor shall not subcontract with any Person where the General Contractor has notice or knowledge that such Person has been found in violation of the Section 3 Regulations.

(f) The Borrower hereby certifies that any vacant employment positions in connection with the Project, including training positions, that were filled prior to the Closing Date and with Persons other than those to whom the Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Borrower's obligations under the Section 3 Regulations.

(g) Noncompliance with the Section 3 Regulations may result in sanctions, including, but not limited to, the declaration by the City of an event of default under the Loan Documents and the exercise by the City of its remedies thereunder, as well as debarment or suspension from future HUD-assisted contracts.

(h) The Borrower acknowledges receipt from the City of a copy of the City of Chicago Section 3 Compliance Plan booklet (the "Booklet"). The Borrower agrees to complete or cause to be completed, as applicable, those forms contained in the Booklet as requested by the City and to submit such forms to the City promptly upon the City's request. The Borrower hereby represents and warrants to the City that all such forms heretofore submitted by or on behalf of the Borrower are true and correct. The Borrower hereby covenants to the City that all such forms hereafter submitted by the Borrower shall be true and correct, and that work on the Project shall be carried out in accordance with the existing employee list (with respect to number of employees and job classifications only), hiring plan, training plan, contracting plan and compliance effort narrative, as applicable, as submitted by the Borrower to the City, unless otherwise agreed to in writing by the City.

13. Intentionally Omitted

14. Intentionally Omitted

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EXHIBIT C

USE OF LOAN PROCEEDS

Description of the tasks to be performed, a schedule for completing the tasks and a project budget:

- see attached Owner's Sworn Statement
- see attached Construction Schedule

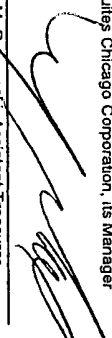
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SENIOR SUITES OF KELVYN PARK
OWNER'S SWORN STATEMENT - DRAW #1
08/27/08

Budget Item	Underwriting Budget	Adjustments	Closing Budget	Vendor	Total Contract	Previously Paid	Amount of This Payment (To Vendor)	Amount of This Payment (To Sponsor)	Balance to Become Due	Balance of Total Budget Available
Survey	11,000	(4,559.87)	6,440	Glen D. Kirsch, Land Surveyor, Inc.	5,450.00	0.00	75,000.00	5,450.00	0.00	990.13
Environmental Studies/Remediation	85,000	3,475.00	88,475	EPS Environmental Services	87,975.00	0.00	12,975.00	12,975.00	0.00	0.00
Market Study	7,500	(187.75)	7,312	Illinois Environmental Protection Agency	7,312.25	0.00	500.00	500.00	0.00	0.00
Soil Test	8,000	(2,534.90)	5,465	Valerie S. Kriehner Associates	4,700.00	0.00	7,312.25	7,312.25	0.00	0.00
Appraisal	10,000	(2,290.00)	7,710	Testing Service Corporation	7,710.00	0.00	4,700.00	4,700.00	0.00	765.10
Land Use Study	3,000	1,923.65	4,924	Appraisal Research Counselors	4,923.65	0.00	7,710.00	7,710.00	0.00	0.00
Land & Carrying Costs	3,663,000	2,009.87	3,665,010	S.B. Friedman & Company	150,810.44	0.00	3,743.05	4,923.65	0.00	0.00
				Harris N.A.	3,500,000.00	0.00	3,500,000.00	147,067.39	0.00	0.00
				Cook County Treasurer	12,159.53	0.00	12,159.53	12,159.53	0.00	0.00
				City of Chicago Dept. of Water	934.12	0.00	1,105.78	934.12	0.00	0.00
Title and Recording	25,000	720.00	25,720	Stephen J. Levy	25,720.00	0.00	25,720.00	25,720.00	0.00	0.00
Construction Period Insurance	42,000	(456.00)	41,544	Near North National Title, LLC	41,544.00	0.00	41,544.00	41,544.00	0.00	0.00
Construction Cost/Pat Bond	12,032,405		12,032,405	Schwartz Insurance	12,032,405.00	0.00	87,937.00	12,032,405.00	0.00	0.00
Major Moveables	83,000		83,000	Welsh Construction Company	12,032,405.00	0.00			11,944,468.00	83,000.00
Food Machines	32,000		32,000		1,105.78	0.00			0.00	32,000.00
Construction Contingency	591,940	(40,291.96)	551,648	Cook County Assessor	551,648.00	0.00	551,648.04	551,648.04	0.00	551,648.04
Building Permit / Fees	0		40,292	City of Chicago	500.00	0.00	500.00	500.00	0.00	0.00
Construction Period Taxes	40,000		40,000		40.75	0.00	40.75	40.75	0.00	40,000.00
Construction Period Interest	63,000		63,000	FedEx Kinko's	63,000.00	0.00			0.00	63,000.00
Marketing	63,000		63,000		280.00	0.00	280.00	280.00	0.00	62,989.25
Model/Office	30,000		30,000		1,500.00	0.00	1,500.00	1,500.00	0.00	30,000.00
Rent-up Reserve	113,975		113,975		113,975.00	0.00	113,975.00	113,975.00	0.00	113,975.00
Insurance Escrow (100% + 5%)	26,775		26,775		26,775.00	0.00	26,775.00	26,775.00	0.00	26,775.00
Real Estate Tax Escrow (50% + 5%)	33,000		33,000		33,000.00	0.00	33,000.00	33,000.00	0.00	33,000.00
Replacement Reserve	21,250		21,250		21,250.00	0.00	21,250.00	21,250.00	0.00	21,250.00
Legal Fees (Sponsor)	120,000		120,000	Shelsky & Froelich	36,054.48	0.00	60,000.00	36,054.48	0.00	6,195.52
Tax Credit Fee	40,000	1,250.00	41,250	Katten	60,000.00	0.00	17,500.00	250.00	0.00	0.00
Loan Application Fees	1,750	500.00	2,250	Charity & Associates	2,250.00	0.00	2,058.80	39,191.20	0.00	0.00
Misc. Syndication Costs	10,000		10,000	Secretary of State	1,500.00	0.00	1,500.00	1,500.00	0.00	0.00
Accounting Fees	16,000		16,000	City of Chicago	750.00	0.00	750.00	750.00	0.00	0.00
First Mortgage Points	44,640		44,640	Illinois Housing Development Authority	10,000.00	0.00	10,000.00	10,000.00	0.00	0.00
TIF Bridge Loan Points	32,000		32,000	Boston Capital	44,640.00	0.00	44,640.00	44,640.00	0.00	0.00
TIF Bridge Loan Interest Reserve	177,000		177,000	Harris N.A.	16,071.00	0.00	16,071.00	16,071.00	0.00	0.00
Architect/Design Fees	440,000	150.00	440,150	Merilee Elliott	429,500.00	0.00	324,000.00	492,665	0.00	0.00
Construction Inspection Fee	7,000		7,000	City of Chicago	10,500.00	0.00	7,500.00	147,067.39	0.00	0.00
Developer Fee Paid Through Escrow	1,000,000		1,000,000	OPPIDANUSA	150.00	0.00	2,000.00	150.00	0.00	5,000.00
Deferred Developer's Fee (Paid from Cash Flow)	350,000		350,000	Senior Lifestyle Corporation	850,000.00	0.00	425,000.00	425,000.00	0.00	0.00
Operating Reserve	200,000		200,000	Senior Suites Chicago Corporation	150,000.00	0.00	75,000.00	297,500.00	0.00	0.00
				Senior Suites Chicago Corporation	52,500.00	0.00			52,500.00	0.00
TOTAL:	19,423,235.00	0.00	19,423,235.00		17,943,887.96	0.00	4,725,363.85	315,356.11	12,902,968.00	1,479,547.04

Property of Cook County Clerk's Office

By: 
Robert M. Gajrowski, Assistant Treasurer

SENIOR SUITES CHICAGO KELVYN PARK, LLC
By Senior Suites Chicago Corporation, its Manager

Subscribed and sworn to before me this 27th day of August 2008


Notary Public



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**SENIOR SUITES OF KELVYN PARK
INVOICE DETAIL - DRAW #1
08/27/08**

Item	Vendor	Total Amount Requested	SSCC Reimb. Amount	SLC Reimb. Amount	Balance of Amount To Vendor	Itemized Invoices	SSCC Payments	SLC Payments
Survey	Glen D. Kirsch Land Survey, Inc. 1716 South Finley Road Lombard, Illinois 60148	5,450.00	5,450.00	0.00	0.00	2,800.00 250.00 2,400.00	2,800.00 250.00 2,400.00	
Environmental Studies / Remediation	EPS Environmental Services 7237 West Devon Avenue Chicago, Illinois 60631	87,975.00	12,975.00	0.00	75,000.00	2,550.00 6,475.00 3,950.00 75,000.00	2,550.00 6,475.00 3,950.00	
	Illinois Environmental Protection Agency P.O. Box 19276 Springfield, Illinois 62794	500.00	500.00	0.00	0.00	500.00	500.00	
Market Study	Valerie S. Kretschmer Associates 2707 Wainunt Avenue Evanston, Illinois 60201	7,312.25	7,312.25	0.00	0.00	3,500.00 3,812.25	3,500.00 3,812.25	
Soil Test	Testing Service Corporation 360 South Main Place Carol Stream, Illinois 60188	4,700.00	4,700.00	0.00	0.00	4,700.00	4,700.00	
Appraisal	Appraisal Research Counselors Payable to: Harris N.A. P.O. Box 2880 Chicago, Illinois 60690	7,710.00	0.00	0.00	7,710.00	7,210.00 500.00		
Land Use Study	S.B. Friedman & Company 221 North LaSalle Street Suite 820 Chicago, Illinois 60601	4,923.65	4,923.65	0.00	0.00	2,423.65 2,500.00	2,423.65 2,500.00	
Land & Carrying Costs	Harris N.A. P.O. Box 2880 Chicago, Illinois 60690	150,810.44	147,067.39	0.00	3,743.05	2,498.00 20,222.21 23,357.63 17,184.02 18,326.39 16,284.72 16,041.66 16,576.38 16,576.38 3,743.05	2,498.00 20,222.21 23,357.63 17,184.02 18,326.39 16,284.72 16,041.66 16,576.38 16,576.38	
	Harris N.A. P.O. Box 2880 Chicago, Illinois 60690	3,500,000.00	0.00	0.00	3,500,000.00	3,500,000.00		
	Cook County Treasurer P.O. Box 4468 Carol Stream, Illinois 60197	12,159.53	12,159.53	0.00	0.00	12,159.53	12,159.53	
	City of Chicago Water Department of Water Management P.O. Box 6330 Chicago, Illinois 60680	1,105.78	1,105.78	0.00	0.00	42.10 63.68 1,000.00	42.10 63.68 1,000.00	
	Stephen J. Levy	934.12	934.12	0.00	0.00	934.12	934.12	

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SENIOR SUITES OF KELLYNN PARK
INVOICE DETAIL - DRAW #1
 08/27/08

Item	Vendor	Total Amount Requested	SSCC Reimb. Amount	SLC Reimb. Amount	Balance of Amount To Vendor	Itemized Invoices	SSCC Payments	SLC Payments
Title & Recording	3037 North Clifton Chicago, Illinois 60657	25,720.00	0.00	0.00	25,720.00	25,720.00		
	Near North National Title, LLC 222 North LaSalle Street Chicago, Illinois 60601							
Construction Period Insurance	Schwartz Insurance One South Wacker Drive Suite 3600 Chicago, Illinois 60605-4614	41,544.00	0.00	0.00	41,544.00	41,544.00		
	Walsh Construction Company 929 West Adams Chicago, Illinois 60607	87,937.00	0.00	0.00	87,937.00	87,937.00		
Building Permits / Fees	City of Chicago Department of Revenue Chicago, Illinois	39,791.96	39,791.96	0.00	0.00	21,025.00 18,766.96	21,025.00 18,766.96	
	Cook County Assessor 118 North Clark Street Chicago, Illinois 60602	500.00	500.00	0.00	0.00	500.00	500.00	
Marketing	FedEx Kinko's 111 East Wacker Drive Chicago, Illinois 60601	40.75	40.75	0.00	0.00	40.75	40.75	
	Shefsky & Froelich 111 East Wacker Drive Suite 2800 Chicago, Illinois 60601	36,054.48	36,054.48	0.00	0.00	3,990.00 15,114.10 16,950.38	3,990.00 15,114.10 16,950.38	
Legal Fees	Katen Muchin Rosenman LLP 525 West Monroe Street Chicago, Illinois 60661-3693	60,000.00	0.00	0.00	60,000.00	60,000.00		
	Charity & Associates Secretary of State	17,500.00 250.00	0.00 250.00	0.00 0.00	17,500.00 0.00	17,500.00 250.00		
Tax Credit Fee	City of Chicago, c/o Department of Housing 33 North LaSalle Street 2nd Floor Chicago, Illinois 60602	41,250.00	39,191.20	0.00	2,058.80	39,191.20 2,058.80	39,191.20	
Loan Application Fees	City of Chicago c/o Department of Housing 33 North LaSalle Street 2nd Floor Chicago, Illinois 60602	1,500.00	1,500.00	0.00	0.00	1,500.00	1,500.00	
	Illinois Housing Development Authority 401 North Michigan Avenue 7th Floor	750.00	750.00	0.00	0.00	750.00	750.00	

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SENIOR SUITES OF KELVYN PARK
INVOICE DETAIL - DRAW #1
 08/27/08

Item	Vendor	Total Amount Requested	SSCC Reimb. Amount	SLC Reimb. Amount	Balance of Amount To Vendor	Itemized Invoices	SSCC Payments	SLC Payments
Misc. Syndication Costs	Chicago, Illinois 60611 Boston Capital One Boston Place Boston, MA 02108	10,000.00	0.00	0.00	10,000.00	10,000.00		
First Mortgage Points	Harris N.A. P.O. Box 2880 Chicago, Illinois 60690	44,640.00	0.00	0.00	44,640.00	44,640.00		
TFE Bridge Loan Points	Harris N.A. P.O. Box 2880 Chicago, Illinois 60690	16,011.00	0.00	0.00	16,011.00	16,000.00 11.00		
Architect/Design Fees	Cubellis 325 North LaSalle Street Suite 700 Chicago, Illinois 60601	324,000.00	0.00	0.00	324,000.00	324,000.00		
	Merilee Elliott The Merchandise Mart Plaza Suite 940 Chicago, Illinois 60654	7,500.00	0.00	0.00	7,500.00	7,500.00		
	City of Chicago Department of Revenue Chicago, Illinois	150.00	150.00	0.00	0.00	150.00	150.00	
Construction Inspection Fee	OPPIDANUSA 1440 West Taylor Street Chicago, Illinois 60607	2,000.00	0.00	0.00	2,000.00	2,000.00		
Developer's Fees	Senior Suites Chicago Corporation 111 East Wacker Drive Suite 2200 Chicago, Illinois 60601	75,000.00	0.00	0.00	75,000.00	75,000.00		
	Senior Lifestyle Corporation 111 East Wacker Drive Suite 2200 Chicago, Illinois 60601	425,000.00	0.00	0.00	425,000.00	425,000.00		
		5,040,719.96	315,356.11	0.00	4,725,363.85	5,040,719.96	315,356.11	0.00

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**SENIOR SUITES OF KELVYN PARK
FUNDING SUMMARY - DRAW #1
08/27/08**

Uses	Budgeted	Previously Paid Amount	Current Draw	Balance
Per Sworn Statement	19,423,235.00	0.00	5,040,719.96	14,382,515.04
Sources				
Equity - Available at Closing/During Const.	6,173,120	0.00	3,140,719.96	3,032,400.04
First Mortgage Loan	2,232,000	0.00	0.00	2,232,000.00
HOME Loan - DOH	5,618,115	0.00	0.00	5,618,115.00
TIF - Capitalized for Construction	1,500,000	0.00	1,500,000.00	0.00
TIF - Capitalized via Bridge (from Harris)	1,600,000	0.00	400,000.00	1,200,000.00
Trust Fund - IHDA	1,250,000	0.00	0.00	1,250,000.00
Equity for Developer Fee	500,000	0.00	0.00	500,000.00
Outside of Escrow				
Cash Flow - Deferred Developer Fee	350,000	0.00	0.00	350,000.00
Equity for Operating Reserve	200,000	0.00	0.00	200,000.00

Property of Cook County Clerk's Office

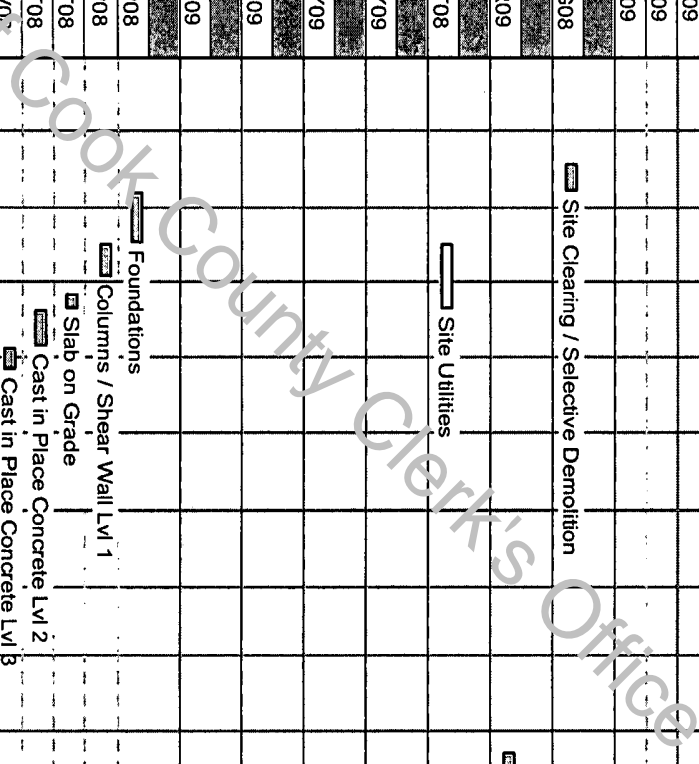
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Act ID	Description	Early Start	Early Finish	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	
Milestone																					
0010	Notice to Proceed	01AUG08																			
0020	Mobilization	01AUG08	11SEP08																		
0030	Building Topping Out		22DEC08																		
0040	Building Dry-In		20FEB09																		
0060	Punchlist	18JUN09	29JUL09																		
0050	Substantial Completion		01JUL09																		
0070	Final Completion		29JUL09																		
Selective Demolition																					
1020	Site Clearing / Selective Demolition	15AUG08	25AUG08																		
Site Grading																					
1760	Site Grading	10APR09	23APR09																		
Site Utilities																					
1030	Site Utilities	16SEP08	13OCT08																		
Site Concrete																					
1770	Concrete Curbs and Sidewalks	24APR09	07MAY09																		
Asphalt Paving																					
1780	Asphalt Paving	08MAY09	28MAY09																		
Ornamental Fencing																					
1790	Ornamental Fencing	29MAY09	11JUN09																		
Landscaping																					
1800	Landscaping / Site Furnishings	12JUN09	25JUN09																		
Concrete																					
1050	Foundations	26AUG08	15SEP08																		
1060	Columns / Shear Wall Lvl 1	16SEP08	29SEP08																		
1065	Slab on Grade	07OCT08	13OCT08																		
1070	Cast in Place Concrete Lvl 2	14OCT08	27OCT08																		
1080	Cast in Place Concrete Lvl 3	28OCT08	06NOV08																		
1090	Cast in Place Concrete Lvl 4	07NOV08	18NOV08																		
1100	Cast in Place Concrete Lvl 5	19NOV08	28NOV08																		
1110	Cast in Place Concrete Lvl 6	01DEC08	10DEC08																		
1120	Cast in Place Concrete Roof Level	11DEC08	22DEC08																		
Concrete Shoring / Cleanup																					
1075	Reshore Lvl 2	28OCT08	24NOV08																		
1085	Reshore Lvl 3	07NOV08	04DEC08																		
1095	Reshore Lvl 4	19NOV08	16DEC08																		
1105	Reshore Lvl 5	01DEC08	29DEC08																		
1115	Reshore Lvl 6	11DEC08	09JAN09																		
1125	Reshore Roof Level	23DEC08	21JAN09																		

Start date 01AUG08
 Must finish date GT0633/000
 Number/Version
 Page number 1A
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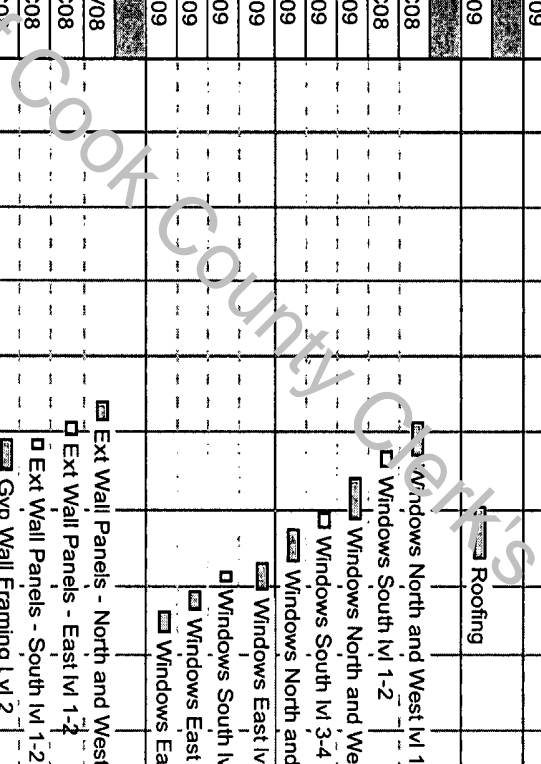
Walsh Construction Company
Senior Suites of Kelvyn Park

Early bar
 Progress bar
 Critical bar
 Summary bar
 Start milestone point
 Finish milestone point



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Act ID	Description	Early Start	Early Finish	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	
1180	Masonry Veneer - North Elevation	23JAN09	05FEB09																		
1185	Masonry Veneer - West Elevation	06FEB09	26FEB09																		
1190	Masonry Veneer - East Elevation	27FEB09	26MAR09																		
1195	Masonry Veneer - South Elevation	27MAR09	09APR09																		
Carpentry																					
1640	Cabinets and Doors Lvl 2	24FEB09	09MAR09																		
1650	Cabinets and Doors Lvl 3	10MAR09	23MAR09																		
1660	Cabinets and Doors Lvl 4	24MAR09	06APR09																		
1670	Cabinets and Doors Lvl 5	07APR09	20APR09																		
1680	Cabinets and Doors Lvl 6	21APR09	04MAY09																		
1690	Cabinets and Doors Lvl 1	21MAY09	03JUN09																		
Roofing																					
1520	Roofing	31DEC08	21JAN09																		
Doors/Windows																					
1460	Windows North and West lvl 1-2	27NOV08	10DEC08																		
1490	Windows South lvl 1-2	09DEC08	15DEC08																		
1465	Windows North and West lvl 3-4	19DEC08	05JAN09																		
1495	Windows South lvl 3-4	02JAN09	08JAN09																		
1470	Windows North and West lvl 5-6	09JAN09	22JAN09																		
1475	Windows East lvl 1-2	23JAN09	02FEB09																		
1500	Windows South lvl 5-6	26JAN09	30JAN09																		
1480	Windows East lvl 3-4	03FEB09	11FEB09																		
1485	Windows East lvl 5-6	12FEB09	20FEB09																		
Drywall																					
1130	Ext Wall Panels - North and West lvl 1	29NOV08	26NOV08																		
1145	Ext Wall Panels - East lvl 1-2	27NOV08	02DEC08																		
1160	Ext Wall Panels - South lvl 1-2	05DEC08	08DEC08																		
1340	Gyp Wall Framing Lvl 2	05DEC08	16DEC08																		
1135	Ext Wall Panels - North and West lvl 3-4	11DEC08	18DEC08																		
1350	Gyp Wall Framing Lvl 3	17DEC08	29DEC08																		
1150	Ext Wall Panels - East lvl 3-4	19DEC08	24DEC08																		
1175	Ext Wall Panels - Roof Parapet / Elev	23DEC08	30DEC08																		
1165	Ext Wall Panels - South lvl 3-4	30DEC08	31DEC08																		
1360	Gyp Wall Framing Lvl 4	30DEC08	09JAN09																		
1140	Ext Wall Panels - North and West lvl 5-6	08JAN09	08JAN09																		
1155	Ext Wall Panels - East lvl 5-6	09JAN09	14JAN09																		
1370	Gyp Wall Framing Lvl 5	12JAN09	21JAN09																		
1170	Ext Wall Panels - South lvl 5-6	22JAN09	23JAN09																		
1380	Gyp Wall Framing Lvl 6	22JAN09	02FEB09																		
1400	Sheetrock Lvl 2	22JAN09	04FEB09																		
1390	Gyp Wall Framing Lvl 1	03FEB09	16FEB09																		
1410	Sheetrock Lvl 3	05FEB09	18FEB09																		
1420	Sheetrock Lvl 4	19FEB09	04MAR09																		
1430	Sheetrock Lvl 5	05MAR09	18MAR09																		
1440	Sheetrock Lvl 6	19MAR09	05APR09																		



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Act ID	Description	Early Start	Early Finish	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Drywall Finishing																				
1450	Sheetrock Lvl 1	02APR09	22APR09																	
1405	Tape and Finish Lvl 2	05FEB09	11FEB09																	
1415	Tape and Finish Lvl 3	19FEB09	25FEB09																	
1425	Tape and Finish Lvl 4	05MAR09	11MAR09																	
1435	Tape and Finish Lvl 5	19MAR09	25MAR09																	
1445	Tape and Finish Lvl 6	02APR09	08APR09																	
1455	Tape and Finish Lvl 1	23APR09	06MAY09																	
Flooring																				
1700	Flooring Lvl 2	17MAR09	30MAR09																	
1710	Flooring Lvl 3	31MAR09	13APR09																	
1720	Flooring Lvl 4	14APR09	27APR09																	
1730	Flooring Lvl 5	28APR09	11MAY09																	
1740	Flooring Lvl 6	12MAY09	25MAY09																	
1750	Flooring Lvl 1	11JUN09	01JUL09																	
Painting																				
1550	Paint Lvl 2	12FEB09	23FEB09																	
1560	Paint Lvl 3	26FEB09	09MAR09																	
1570	Paint Lvl 4	12MAR09	23MAR09																	
1580	Paint Lvl 5	26MAR09	06APR09																	
1590	Paint Lvl 6	09APR09	20APR09																	
1600	Paint Lvl 1	07MAY09	20MAY09																	
Elevators																				
1620	Elevator Rails	22JAN09	18FEB09																	
1630	Elevator Cabs	27APR09	05JUN09																	
MEPs																				
1040	Building Underground Utilities	09SEP08	06OCT08																	
1220	MEP R/I Lvl 2	05DEC08	05JAN09																	
1230	MEP R/I Lvl 3	19DEC08	19JAN09																	
1240	MEP R/I Lvl 4	06JAN09	02FEB09																	
1250	MEP R/I Lvl 5	20JAN09	16FEB09																	
1260	MEP R/I Lvl 6	03FEB09	02MAR09																	
1270	MEP R/I Lvl 1	17FEB09	23MAR09																	
1610	Electrical Service	23FEB09	24APR09																	
1280	MEP Trim Lvl 2	21FEB09	16MAR09																	
1290	MEP Trim Lvl 3	10MAR09	30MAR09																	
1300	MEP Trim Lvl 4	24MAR09	13APR09																	
1310	MEP Trim Lvl 5	07APR09	27APR09																	
1320	MEP Trim Lvl 6	21APR09	11MAY09																	
1330	MEP Trim Lvl 1	21MAY09	10JUN09																	

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UNOFFICIAL COPY**EXHIBIT D****ANNUAL REPORT FOR PROJECT RECEIVING
HOME FUNDS AND LOW-INCOME HOUSING TAX CREDITS
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 Housing Loan Agreement dated as of _____ with the Borrower pursuant to which the City has loaned HOME Funds to the Borrower for the Project. The City has also allocated low-income housing tax credits (the "Tax Credits") to the Borrower for the Project. Pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Code"), the Borrower is required to maintain certain records concerning the Project and the City is required to monitor the Project's compliance with the HOME Regulations and the Code and 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 October 1 of each year for the period commencing on the earlier of (a) October 1 of the first year of the Compliance Period, or (b) the first October 1 following completion of the construction or rehabilitation of the Project, and ending on the later of (1) the first October 1 following the end of the Compliance Period, or (2) the first October 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.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

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 managing member(s), if any, of the Borrower, (c) in the ownership of any interests in any managing member 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.

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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.
6. Has the Borrower been a recipient of a federal grant during this year, as defined in Section 42 of the Code, or has there been any other event, either of which would cause a reduction in the Eligible Basis (as hereinafter defined) of any building in the Project?

Yes _____

No _____

If Yes, provide the details.

7. If the date of this Annual Report is not later than the first October 1 following the Termination Date, the following certifications apply:
- (a) The Borrower hereby certifies to the City that (1) the Project is in full compliance with all currently applicable provisions of the HOME Regulations, (2) the Project shall continue to comply with the HOME Regulations during the Project Term as required by the HOME Regulations, and (3) no change shall occur in the Borrower or any managing member, if any, of the Borrower without the prior written consent of the City, except as may be permitted pursuant to Section 8 of the Mortgage.
 - (b) Provide to the City copies of each lease and each Tenant Certification executed in connection with the Low-Income Project since the later of the execution of the Regulatory Agreement or the last Annual Owner's Certification submitted to the City. For each such unit in the Low-Income Project, provide to the City the data with respect to tenant characteristics as required by Section 2.22 of the Regulatory Agreement.
 - (c) Provide the City with evidence of compliance with Section 2.30 of the Regulatory Agreement since the later of the execution of the Regulatory Agreement or the last Annual Owner's Certification, including copies of any required notices given to prospective tenants regarding lead-based paint with the signature of each tenant in the Low-Income Project. [24 C.F.R. §35.5(b)(1)]
 - (d) Did the Project cause the displacement of any People?

Yes _____

No _____

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If Yes, provide evidence to the City of compliance with Section 2.28 of the Regulatory Agreement, including the information required under 24 C.F.R. Section 92.508(a)(7)(iv). (The information required by this question need only be supplied to the City once.)

- (e) If the Low-Income Project has 12 or more units, provide to the City payroll records of the General Contractor indicating compliance with the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act.
- (f) Provide to the City evidence of compliance with the affirmative marketing requirements of Section 2.24 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 percent of the beneficial interest in, the hereinafter described Project. The Borrower received an allocation of low-income housing tax credits from the City in the amount of \$ _____ on _____, pursuant to Section 42 of the Code.
3. The Project consists of _____ building(s) containing a total of _____ residential unit(s).
4. If the date of this Annual Report is (a) not prior to the start of the Compliance Period and (b) not later than the first October 1 following the end of the Compliance Period, the following subparagraphs apply:
 - (a) _____ of the residential unit(s) (the "Tax Credit Eligible Units") in the Project is/are occupied by Qualifying Tenants (as hereinafter defined).
 - (b) For the 12-month period preceding the date hereof (the "Year"):

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1. [check as applicable] (i) ____ 20 percent or more of the residential units in the Project were both rent-restricted (within the meaning of Section 42(g)(2) of the Code) and occupied by individuals (the "Qualifying Tenants") whose income as of the first date of initial occupancy was 50 percent or less of area median income, or (ii) ____ 40 percent or more of the residential units in the Project were both rent-restricted (within the meaning of Section 42(g)(2) of the Code) and occupied by individuals (the "Qualifying Tenants") whose income as of the first date of initial occupancy was 60 percent or less of area median income, or (iii) _____ 40 percent or more of the residential units in each building in the Project were both rent-restricted (within the meaning of Section 42(g)(2) of the Code) and occupied by individuals whose income as of the first date of initial occupancy was 50 percent or less of area median income;
2. there was no change in the applicable fraction (as defined in Section 42(e)(1)(B) of the Code) of any building in the Project, or if there were any such changes, attached hereto as Schedule II is a true and complete description of all such changes;
3. the Borrower has received an annual income certification from each Qualifying Tenant in substantially the form attached hereto as Schedule III or in such other form as shall have been approved by the City (a "Tenant Certification") and documents to support that Tenant Certification (for a Qualifying Tenant receiving Section 8 housing assistance payments, such documentation may be a statement from the Chicago Housing Authority to the Borrower declaring that the Qualifying Tenant's income does not exceed the applicable income limit under Section 42(g) of the Code), and the Borrower assisted each of the Qualifying Tenants in completing the Tenant Certifications if necessary;
4. each Tax Credit Eligible Unit in the Project was rent-restricted (within the meaning of Section 42(g)(2) of the Code);
5. all of the units in the Project were for use by the general public and used on a nontransient basis (except for units used for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) of the Code, all of which units complied with the applicable requirements of Section 42 of the Code and the hereinafter defined Tax Credit Regulations);
6. each building in the Project was suitable for occupancy, taking into account the health, safety and building codes of the City;

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7. there was no change in the "eligible basis" as defined in Section 42(d) of the Code (the "Eligible Basis") of any building in the Project, or if there were any such changes, attached hereto as Schedule IV is a true and complete description of the nature of all such changes;
 8. all tenant facilities included in the Eligible Basis of 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;
 9. if a Tax Credit Eligible Unit became vacant during the Year, reasonable attempts were or are being made to rent such Tax Credit Eligible Unit or the next available residential unit in the Project of a comparable or smaller size to one or more Qualifying Tenants before any residential units in the Project were or will be rented to tenants who are not Qualifying Tenants;
 10. if after the first date of initial occupancy the income of any Qualifying Tenant increased above 140 percent of the applicable income limit described in (1) above, the next available residential unit in the Project of a comparable or smaller size was or will be rented to one or more Qualifying Tenants; and
 11. the Regulatory Agreement constitutes an "extended low-income housing commitment" as defined in Section 42(h)(6) of the Code and was in effect.
- (c) Any savings realized in a construction line item of the Project were either dedicated to the benefit of the Project through enhancement of the Project, or resulted in a decrease of the Project's Eligible Basis for purposes of calculating the Tax Credits for which the Project qualifies, and except as disclosed to and approved by the City, no amounts paid or payable to the Borrower as developer fees exceeded the amount set forth in the Borrower's original application for the Tax Credits and such fees will not be increased without the consent of the City.
- (d) The Project constitutes a "qualified low-income housing project" as defined in Section 42 of the Code and the Tax Credit Regulations.
- (e) All of the Schedule Is attached hereto constitute a true, correct and complete schedule showing, for the Year, the rent charged for each Tax Credit Eligible Unit in the Project and the income of the Qualifying Tenants in each Tax Credit Eligible Unit.
- (f) None of the incomes of the Qualifying Tenants exceeds the applicable limits under Section 42(g) of the Code.

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5. The Project is in compliance with all of the currently applicable requirements of the National Affordable Housing Act, the HOME Regulations, the Regulatory Agreement, Section 42 of the Code, the applicable Treasury regulations under Section 42 of the Code (the "Tax Credit Regulations"), the terms of the City's letter reserving Tax Credits for the Project (the "Reservation Letter"), and, if applicable, the City's Housing Tax Credit Plan for the year in which the Project received its allocation of Tax Credits (the "Plan"). The Borrower will take whatever action is required to ensure that the Project complies with all requirements imposed by the National Affordable Housing Act, the HOME Regulations, the Regulatory Agreement, Section 42 of the Code, the Tax Credit Regulations, the terms of the Reservation Letter and, if applicable, the Plan during the periods required thereby.

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.

6. No litigation or proceedings are pending or, to the Borrower's knowledge, threatened, 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 Schedule attached hereto.
7. The Borrower has taken affirmative action to ensure that women- and minority-owned businesses have had the maximum opportunity to compete for and perform as contractors for supplies and/or services, and will continue to do so with future contracts and awards as provided in Sections 2-92-420 through 2-92-570, inclusive, of the Municipal Code of Chicago, as from time to time supplemented, amended and restated.
8. 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.
9. 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.
10. The Borrower is in possession of all records which it is required to maintain pursuant to the terms of the National Affordable Housing Act, the HOME Regulations, the

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Regulatory Agreement, Section 42 of the Code, the Tax Credit Regulations and, if applicable, the Plan, as well as any additional records which the City has determined to be necessary to the compliance and administration of the Project.

11. 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 National Affordable Housing Act, the HOME Regulations, the Regulatory Agreement, Section 42 of the Code, the Tax Credit Regulations, the Plan (if applicable) 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.

C. 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 Managing Member, 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 Managing Member, if any, or the Owner, if any, of any provisions of the instruments executed by the Borrower, the Managing Member, if any, or the Owner, if any, in connection with the Loan.

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

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BORROWER:

By:

Its:

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:

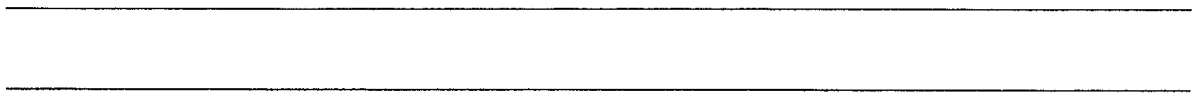
Project Name and No.:

Building Address:

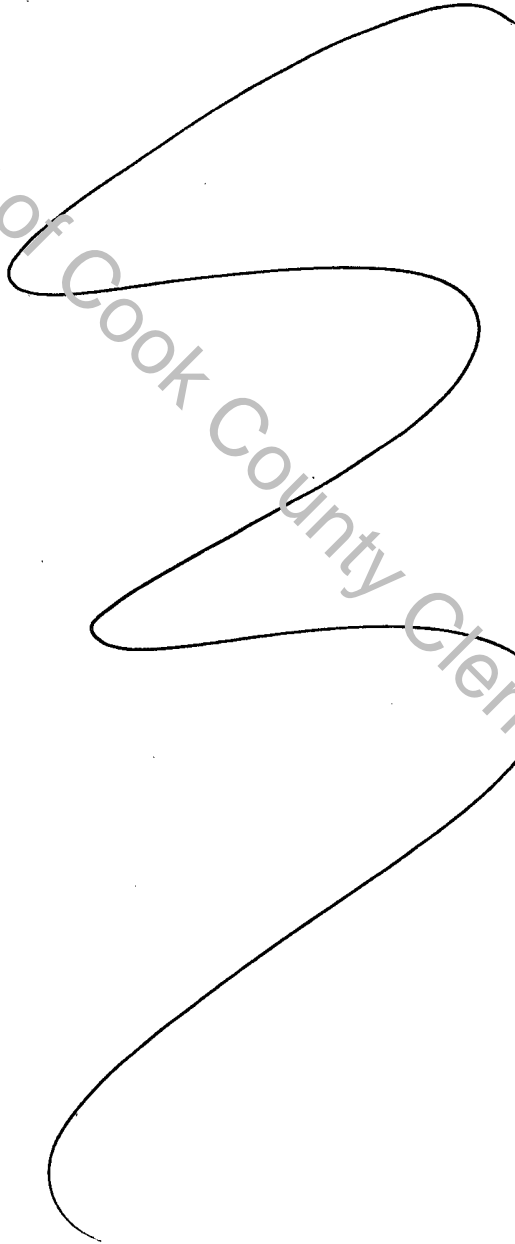
Building Identification Number:

1. Is the date of the attached Annual Report prior to the start of the Compliance Period for this Building?
 Yes No [check one]. If "Yes," do not complete (2) or (3) but go directly to (4). If "No," proceed to (2).
2. Is the date of the attached Annual Report later than the first October 1 following the end of the Compliance Period for this Building? Yes No [check one]. If "Yes," do not complete (3) but go directly to (4). If "No," proceed to (3).
3. (a) Tax Credits Allocated to this Project:
 (b) Number of Residential Rental Units in this Building:
 Studios _____ 1 Br _____ 2 Br
 3 Br _____ 4 Br _____ 5 or more Br
 (c) Total Square Feet of space contained in Residential Rental Units in this Building:
 (d) Total Number of Residential Rental Units rented to Tax Credit Eligible Families:
 Studios _____ 1 Br _____ 2 Br
 3 Br _____ 4 Br _____ 5 or more Br
 (e) Total Eligible Basis of this Building:

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OTHER UNITS:

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

5. Has the rent in any Low-Income Unit or Tax Credit Eligible 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.

6. How many Low-Income Units or Tax Credit Eligible 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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7. What steps did the Borrower take to insure that the new tenants qualified as Low-Income Families or Tax Credit Eligible Families, as applicable?

8. Have any Low-Income Families or Tax Credit Eligible 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.

9. Has any legal or administrative action been instituted by any Low-Income Family or Tax Credit Eligible Family against the Borrower?

Yes _____ No _____

If Yes, please provide details.

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SCHEDULE II

CHANGES IN APPLICABLE FRACTION

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SCHEDULE III

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 and by the use of low-income housing tax credits provided by the City for the development. In order for the development to continue to qualify for this loan and these tax credits, 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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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)

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?

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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 tax credits provided by the City and of the funds provided through the U.S. Department of Housing and Urban Development to finance construction or rehabilitation of the apartment for which application is being made. I agree to provide upon request source documents evidencing the income and other information disclosed above, except as provided below. I consent to and authorize the disclosure of such information and any such source documents 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.

If this is the first Tenant Certification submitted by me for the apartment building described on the first page, I have attached to this Tenant Certification copies of source documentation (e.g., wage statements, interest statements and unemployment compensation statements) with respect to the income of the persons described on the preceding pages.

I declare under penalty of perjury that the foregoing is true, correct, complete and accurate.
Executed this ____ day of _____, _____ at Chicago, Illinois.

enant _____

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)

NOTARY PUBLIC

My Commission Expires:

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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 Tax Credit Eligible 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 Qualifying Tenant (as defined in the Annual Report).
- _____ More than the above-mentioned amount.
- b. Number of apartment unit assigned: _____

Applicant:

_____ Qualifies as a Qualifying Tenant.

_____ Does not qualify as a Qualifying Tenant.

3. 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 _____

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- _____ (the "Regulatory Agreement").
- (ii) _____ Less than \$_____ which is the maximum income at which a household of _____ persons may be determined to be a Very Low-Income Family as that term is defined in the Regulatory Agreement.
 - (iii) _____ Less than \$_____ which is 60 percent of the median Family income for the Chicago area as adjusted for a household of _____ persons.
 - (iv) _____ More than the amount mentioned in line a.

b. Applicant:

- _____ Qualifies as Low-Income Family.
- _____ Qualifies as a Very Low-Income Family.
- _____ Qualifies as a Family whose Family Income is no more than 60 percent of the median Family Income for the Chicago area.
- _____ Does not qualify as a Low-Income Family.

BORROWER:

By:

Its:

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SCHEDULE IV

CHANGES IN ELIGIBLE BASIS

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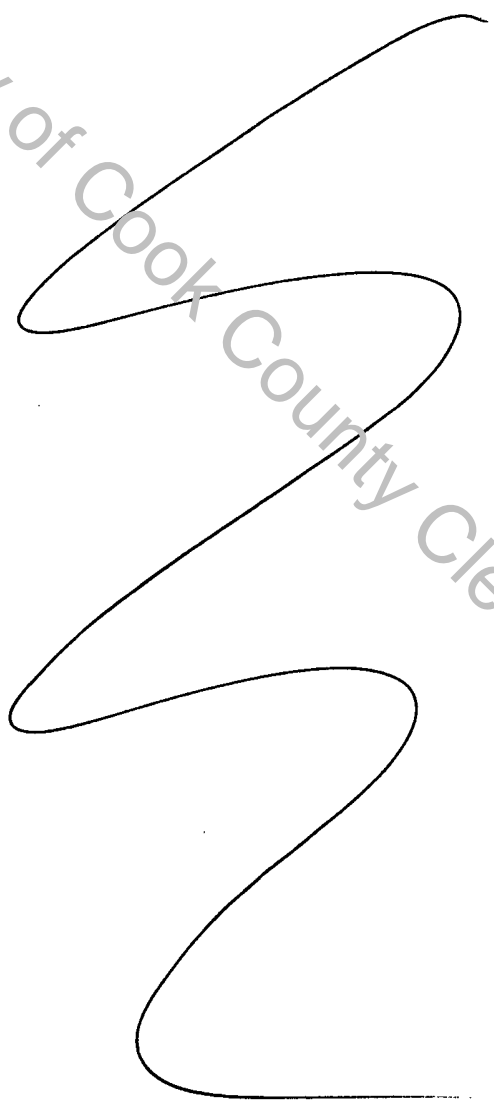


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EXHIBIT E

Intentionally Omitted

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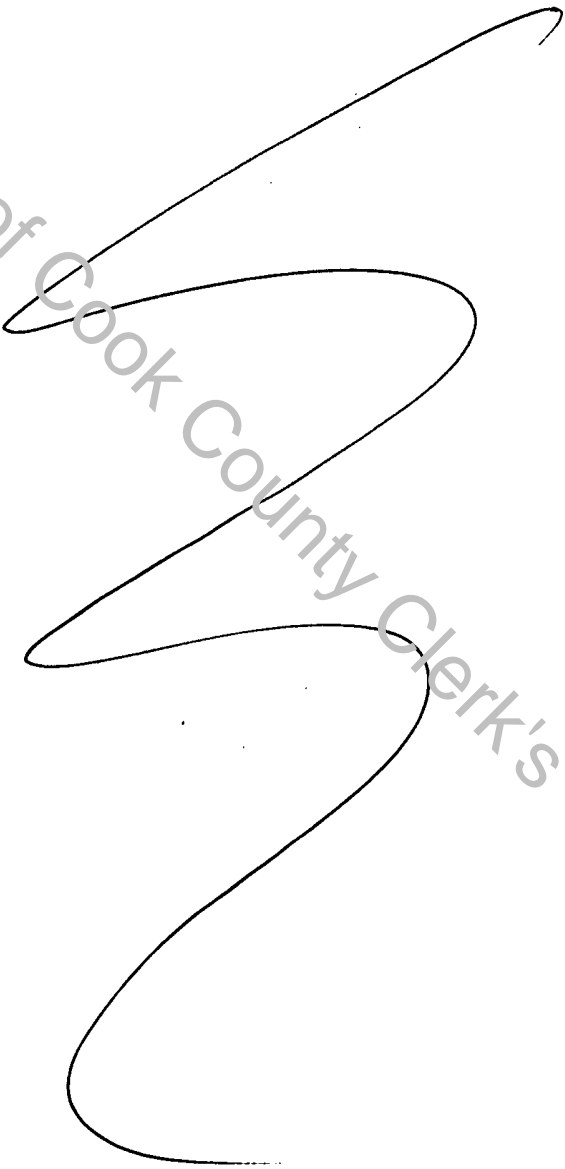


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EXHIBIT F

Form HUD-4010

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Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

- (1)** The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2)** The classification is utilized in the area by the construction industry; and
- (3)** The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where

appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part

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of the wages required by the contract. HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll

period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the

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journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 of this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subpara-

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graph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

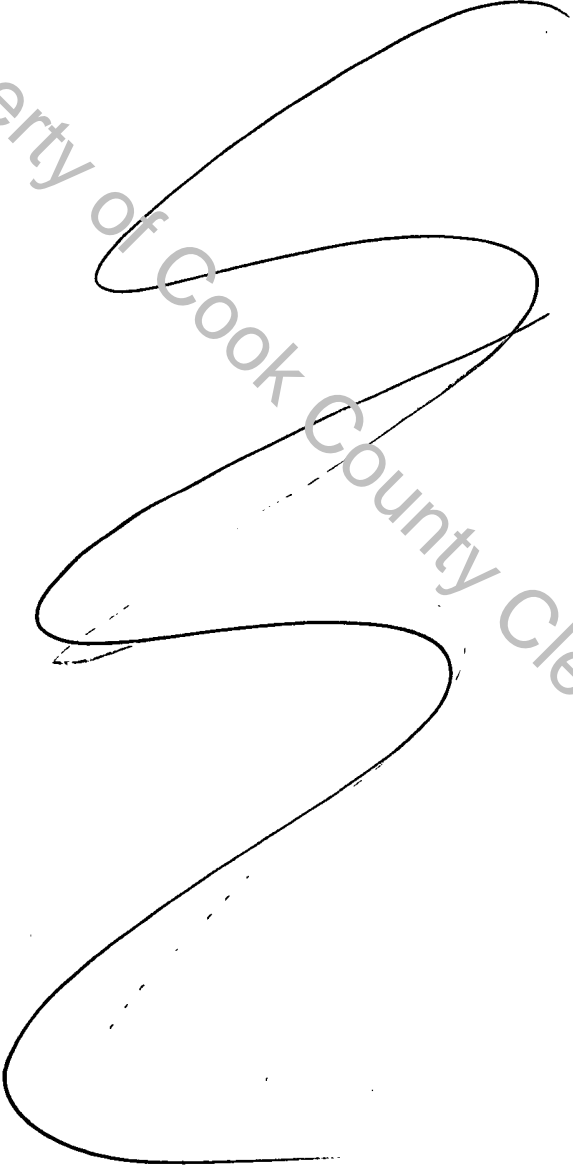
(3) The Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

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EXHIBIT G

Applicable Wage Determination

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ELEV0002-003 01/01/2008

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 43.93	16.285+A+B

FOOTNOTES:

A. Eight paid holidays: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Day after Thanksgiving; Veterans' Day and Christmas Day.

B. Employer contributes 8% of regular basic hourly rate as vacation pay credit for employees with more than 5 years of service; and 6% for 6 months to 5 years of service.

* ENGI0150-006 05/01/2006

	Rates	Fringes
Power equipment operators:		
GROUP 1.....	\$ 41.55	15.05
GROUP 2.....	\$ 40.25	15.05
GROUP 3.....	\$ 37.70	15.05
GROUP 4.....	\$ 35.95	15.05

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Mechanic; Asphalt Plant*; Asphalt Spreader; Autograde*; Backhoes with Caisson attachment*; Batch Plant*; Benoto (Requires two Engineers); Boiler and Throttle Valve; Caisson Rigs*; Central Redi-Mix Plant*; Combination Backhoe Front Endloader Machine; Compressor and Throttle Valve; Concrete Breaker (Truck Mounted)*; Concrete Conveyor; Concrete Conveyor, Truck Mounted; Concrete Paver over 27E cu. ft.*; Concrete Paver 27E cu ft and Under*; Concrete Placer*; Concrete Placing Boom; Concrete Pump (Truck Mounted); Concrete Tower; Cranes*; Cranes, Hammerhead*; Cranes, (GCI and similar type Requires two operators only); Creter Crane; Crusher, Stone, etc; Derricks; Derricks, Traveling*; Formless Curb and Gutter Machine*; Grader, Elevating; Grouting Machines; Highlift Shovels or Front Endloader 2 1/4 yd. and over; Hoists, Elevators, Outside Type Rack and pinion and similar Machines; Hoists, One, Two, and Three Drum; Hoists, Two Tugger One Floor; Hydraulic Backhoes*; Hydraulic Boom Trucks; Hydraulic Vac (and similar equipment); Locomotives; Motor Patrol*; Pile Drivers and Skid Rig*; Post Hole Digger; Pre-Stress Machine; Pump Cretes Dual Ram (Requiring frequent Lubrication and Water); Pump Cretes; Squeeze Cretes-Screw Type Pumps Gypsum Bulker and Pump; Raised and Blind Hole Drill*; Roto Mill Grinder (36" and Over)*; Roto Mill Grinder (Less Than 36")*; Scoops-Tractor Drawn; Slip-Form Paver*; Straddle Buggies; Tournapull; Tractor with Boom, and Side Boom; and Trenching Machines*.

GROUP 2: Bobcat (over 3/4 cu yd); Boilers; Broom, Power

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Propelled; Bulldozers; Concrete Mixer (Two Bag and over); Conveyor, Portable; Forklift Trucks; Greaser Engineer; Highlift Shovels or Front End loaders under 2 1/4 cu yd; Automatic Hoists, Hoists, Inside Elevators; Hoists, Sewer Dragging Machine; Hoists, Tugger Single Drum; Laser Screed; Rock Drill (Self-Propelled); Rock Drill (Truck Mounted)*; Rollers; Steam Generators; Tractors; Tractor Drawn Vibratory Roller (Receives an additional \$.50 per hour); Winch Trucks with "A" Frame.

GROUP 3: Air Compressor-Small 250 and Under (1 to 5 not to exceed a total of 300 ft); Air Compressor-Large over 250; Combination-Small Equipment Operator; Generator- Small 50 kw and under; Generator-Large over 50 kw; Heaters, Mechanical; Hoists, Inside Elevators (Remodeling or Renovatin work); Hydraulic Power Units (Pile Driving, Extracting, and Drilling); Low Boys; Pumps Over 3" (1 To 3 not to exceed a total of 300 ft); Pumps, Well Points; Welding Machines (2 through 5); Winches, 4 Small Electric Drill Winches; Bobcat (up to and including 3/4 cu yd)

GROUP 4 - Bobcats and/or other Skid Steer Loaders; Brick Forklifts; Oilers

*--Requires Oiler

* ENGI0150-025 06/01/2008

	Rates	Fringes
Power equipment operators:		
GROUP 1.....	\$ 42.00	20.30
GROUP 2.....	\$ 41.45	20.30
GROUP 3.....	\$ 39.40	20.30
GROUP 4.....	\$ 38.00	20.30
GROUP 5.....	\$ 36.80	20.30

POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Asphalt Plant*; Asphalt Heater and Planer combination; Asphalt Heater Scarfire*, Asphalt Spreader; Autograder/ GOMACO or similar; ABG Paver*, Backhoes with Caisson attachment*, Ballast Regulator, Belt Loader*; Caisson Rigs*Car Dumper, Central Redi-Mix Plant*, Combination Backhoe; Front End Loader Machine (1 cu yd or over Backhoe bucket or with attachments); Concrete Breaker (truck mounted); Concrete Conveyor; Concrete Paver over 27E cu ft*; Concrete Placer*; Concrete Tube Float; Cranes, all attachments*; Cranes, Hammerhead, Linden, Peco and machines of a like nature*; Creter Crane; Crusher, stone; All Derricks; Derrick Boats; Derricks, traveling*; Dowell Machine with Air Compressor (\$1.00 above Class 1); Dredges*; Field Mechanic Welder; Formless Curb and Gutter Machine*; Gradall and machines of a like nature*; Grader, Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol, Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver mounted*; Hoists, one, two, and three Drum; Hydraulic

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Backhoes*; Backhoes with Shear attachments*; Mucking Machine; Pile Drivers and Skid Rig*; Pre-Stress Machine; Pump Cretes Dual Ram (requires frequent lubrication and water)*; Rock Drill- Crawler or Skid Rig*; Rock Drill truck mounted*; Rock/ Track Tamper; Roto Mill Grinder, (36" and over)*; Slip-Form Paver*; Soil Test Drill Rig, truck mounted*; Straddle Buggies; Hydraulic Telescoping Form (tunnel); Tractor Drawn Belt Loader*; Tractor Drawn Belt Loader with attached Pusher (two engineers); Tractor with boom; Tractaire with attachment; Traffic Barrier Transfer Machine*; Trenching Machine; Truck Mounted Concrete Pump with boom*; Underground Boring and/or Mining Machines 5 ft in diameter and over tunnel, etc.*; Wheel Excavator* & Widener (Apsco); Raised or Blind Hoe Drill, Tunnel & Shaft*

GROUP 2: Batch Plant*; Bituminous Mixer; Boiler and Throttle Valve; Bulldozer; Car Loader Trailing Conveyors; Combination Backhoe Front End Loader Machine, (less than 1 cu yd Backhoe Bucket with attachments); Compressor and Throttle Valve; Compressor, common receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S series to and including 27 cu ft; Concrete Spreader; Concrete Curing Machine; Burlap Machine; Belting Machine and Sealing Machine; Concrete Wheel Saw; Conveyor Muck Cars (Haglund or similar type); Drills (all); Finishing Machine Concrete; Greaser Engineer; Highlift Shovels or Front End Loader, Hoist- Sewer Dragging Machine; Hydraulic Boom Trucks, all attachments; Hydro-Blaster (requires two operators); Laser Screed*; Locomotives, Dinky; Off-Road Hauling Units (including articulating); Pump Cretes; Squeeze Cretes-Screw Type pumps, Gypsum Bulker and Pump; Roller Asphalt; Rotary Snow Plows; Rototiller, Seaman, self-Propelled; Scoops-Tractor Drawn; Self-propelled Compactor; Spreader-Chip-Stone; Scraper; Scraper-Prime Mover in Tandem regardless of size (add \$1.00 to Group 2 hourly rate for each hour and for each machine attached thereto add \$1.00 to Group 2 hourly rate for each hour); Tank Car Heater; Tractors, Push, pulling Sheeps Foot, Disc, or Compactor, etc; Tug Boats

GROUP 3: Boilers; Brooms, all power propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer, two bag and over; Conveyor, Portable; Farm type Tractors used for mowing, seeding, etc; Fireman on Boilers; Forklift Trucks; Grouting Machines; Hoists, Automatic; Hoists, all Elevators; Hoists, Tugger single Drum; Jeep Diggers; Low Boys; Pipe Jacking Machines; Post-hole Digger; Power Saw, Concrete, Power Driven; Pug Mills; Rollers, other than asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with A-Frame; Work Boats; Tamper-Form motor driven

GROUP 4: Air compressor - Small 250 and under (1 to 5 not to exceed a total of 300 ft); Air Compressor - Large over 250; Combination - Small Equipment Operator; Directional Boring Machine; Generators - Small 50 kw and under; Generators - Large , over 50 kw; Heaters, Mechanical; Hydraulic power

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unit (Pile Driving, Extracting or Drilling); Light Plants (1 to 5); Pumps, over 3" (1 to 3, not to exceed a total of 300 ft); Pumps, Well Points; Tractaire; Welding Machines (2 through 5); Winches, 4 small electric drill winches;

GROUP 5: Bobcats (All); Brick Forklifts; Oilers; Directional Boring

*Requires Oiler

IRON0001-026 06/01/2008

	Rates	Fringes
IRONWORKER (Structural and Reinforcing).....	\$ 40.25	24.99

IRON0063-001 06/01/2008

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 39.05	19.64

IRON0063-002 06/01/2007

	Rates	Fringes
IRONWORKER		
Fence Erector.....	\$ 28.54	12.75
Metal Fence Erector.....	\$ 22.54	12.04

IRON0136-001 07/01/2006

	Rates	Fringes
IRONWORKER		
Machinery Movers & Riggers..	\$ 30.24	19.87
Master Riggers.....	\$ 32.74	19.87

LABO0002-006 06/01/2007

	Rates	Fringes
Laborers:		
GROUP 1.....	\$ 33.15	13.87
GROUP 2.....	\$ 33.15	13.87
GROUP 3.....	\$ 33.225	13.87
GROUP 4.....	\$ 33.25	13.87
GROUP 5.....	\$ 33.30	13.87
GROUP 6.....	\$ 33.35	13.87
GROUP 7.....	\$ 33.375	13.87
GROUP 8.....	\$ 33.375	13.87
GROUP 9.....	\$ 33.475	13.87
GROUP 10.....	\$ 33.60	13.87
GROUP 11.....	\$ 33.425	13.87
GROUP 12.....	\$ 34.15	13.87

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LABORER CLASSIFICATIONS

GROUP 1: Building Laborers; Plasterer Tenders; Pumps for Dewatering; and other unclassified laborers.

GROUP 2: Fireproofing and Fire Shop laborers.

GROUP 3: Cement Gun.

GROUP 4: Chimney over 40 ft.; Scaffold Laborers.

GROUP 5: Cement Gun Nozzle Laborers (Gunitite); Windlass and capstan person.

GROUP 6: Stone Derrickmen & Handlers.

GROUP 7: Jackhammermen; Power driven concrete saws; and other power tools.

GROUP 8: Firebrick & Boiler Laborers.

GROUP 9: Chimney on fire brick; Caisson diggers; & Well Point System men.

GROUP 10: Boiler Setter Plastic Laborers.

GROUP 11: Jackhammermen on fire brick work only.

GROUP 12: Dosimeter use (any device) monitoring nuclear exposure); Asbestos Abatement Laborer; Toxic and Hazardous Waste Removal Laborers.

LABO0002-007 06/01/2007

	Rates	Fringes
Laborers:		
GROUP 1.....	\$ 33.15	13.87
GROUP 2.....	\$ 33.425	13.87
GROUP 3.....	\$ 33.30	13.87
GROUP 4.....	\$ 33.425	13.87
GROUP 5.....	\$ 34.15	13.87

LABORER CLASSIFICATIONS

GROUP 1: Common laborer; Tenders; Material expeditor (asphalt plant); Street paving, Grade separation, sidewalk, curb & gutter, strippers & All laborers not otherwise mentioned

GROUP 2: Asphalt tampers & smoothers; Cement gun laborers

GROUP 3: Cement Gun Nozzle (laborers), Gunitite

GROUP 4: Rakers, Lutemen; Machine-Screwmen; Kettlemen; Mixermen; Drun-men; Jackhammermen (asphalt); Paintmen; Mitre box spreaders; Laborers on birch, overman and similar

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spreader equipment; Laborers on APSCO; Laborers on air compressor; Paving Form Setter; Jackhammermen (concrete); Power drive concrete saws; other power tools.

GROUP 5: Asbestos Abatement Laborers; Toxic and Hazardous Waste Removal Laborers, Dosimeter (any device) monitoring nuclear exposure

LABO0002-008 06/01/2007

	Rates	Fringes
Laborers: (Compressed Air)		
0 - 15 POUNDS.....	\$ 34.15	13.87
16 - 20 POUNDS.....	\$ 34.65	13.87
21 - 26 POUNDS.....	\$ 35.15	13.87
27 - 33 POUNDS.....	\$ 36.15	13.87
34 - AND OVER.....	\$ 37.15	13.87
Laborers: (Tunnel and Sewer)		
GROUP 1.....	\$ 33.15	13.87
GROUP 2.....	\$ 33.275	13.87
GROUP 3.....	\$ 33.375	13.87
GROUP 4.....	\$ 33.50	13.87
GROUP 5.....	\$ 34.15	13.87

LABORER CLASSIFICATIONS (TUNNEL)

GROUP 1: Cage tenders; Dumpmen; Flagmen; Signalmen; Top laborers

GROUP 2: Air hoist operator; Key board operator; concrete laborer; Grout; Lock tenders (Free Air Side); Steel setters; Tuggers; Switchmen; Car pusher

GROUP 3: Concrete repairmen; Lock tenders (pressure side); Mortar men; Muckers; Grout machine operators; Track layers

GROUP 4: Air trac drill operator; Miner; Bricklayer tenders; Concrete blower operator; Drillers; Dynamiters; Erector operator; Form men; Jackhammermen; Powerpac; Mining machine operators; Mucking machine operator; Laser beam operator; Liner plate and ring setters; Shield drivers; Power knife operator; Welder- burners; Pipe jacking machine operator; skimmers; Maintenance technician

GROUP 5: Asbestos abatement laborer; Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

LABORER CLASSIFICATIONS (SEWER)

GROUP 1: Signalmen; Top laborers and All other laborers

GROUP 2: Concrete laborers and Steel setters

GROUP 3: Cement carriers; Cement mixers; Concrete repairmen; Mortar men; Scaffold men; Second Bottom men

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GROUP 4: Air trac drill operator; Bottom men; Bracers-bracing; Bricklayer tenders; Catch basin diggers; Drainlayers; dynamiters; Form men; Jackhammermen; Powerpac; Pipelayers; Rodders; Welder-burners; Well point systems men

GROUP 5: Asbestos abatement laborer, Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

LAB00225-001 06/01/2007

	Rates	Fringes
Laborers:		
(DEMOLITION/WRECKING)		
Group 1.....	\$ 26.85	13.87
Group 2.....	\$ 32.40	13.87
Group 3.....	\$ 33.15	13.87

LABORER CLASSIFICATIONS

GROUP 1 - Complete Demolition

GROUP 2 - Interior Wrecking and Strip Out Work

GROUP 3 - Asbestos Work with Complete Demolition/Wrecking or Strip Out Work

MARB0067-001 06/01/2007

	Rates	Fringes
TERRAZZO WORKER/SETTER.....	\$ 35.39	16.02
TILE FINISHER.....	\$ 30.15	12.55
TILE SETTER.....	\$ 36.63	13.85

MARB0087-001 06/01/2006

	Rates	Fringes
MARBLE FINISHER.....	\$ 26.73	14.86

PAIN0014-001 06/01/2008

	Rates	Fringes
PAINTER		
Including Taper.....	\$ 36.90	16.32

PAIN0027-001 06/01/2008

	Rates	Fringes
GLAZIER.....	\$ 37.00	20.13

* PLAS0005-002 07/01/2008

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	Rates	Fringes
PLASTERER.....	\$ 38.10	16.35

PLAS0502-001 06/01/2008

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER....	\$ 41.85	15.43

PLUM0130-001 06/01/2007

	Rates	Fringes
PLUMBER.....	\$ 41.00	16.93

PLUM0597-002 06/01/2007

	Rates	Fringes
PIPEFITTER.....	\$ 40.00	17.33

ROOF0011-001 12/01/2007

	Rates	Fringes
ROOFER.....	\$ 35.00	11.00

SFIL0281-001 01/01/2008

	Rates	Fringes
SPRINKLER FITTER.....	\$ 40.50	16.00

SHEE0073-001 01/01/2007

	Rates	Fringes
Sheet Metal Worker.....	\$ 36.96	17.42

SHEE0073-002 01/01/2007

	Rates	Fringes
Sheet Metal Worker ALUMINUM GUTTER WORK.....	\$ 24.03	17.42

TEAM0731-001 06/01/2008

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 30.70	12.20
4 Axles.....	\$ 30.95	12.20
5 Axles.....	\$ 31.15	12.20
6 Axles.....	\$ 31.35	12.20

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FOOTNOTES FOR TRUCK DRIVERS:

A. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

B. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

TEAM0731-002 06/01/2008

	Rates	Fringes
TRUCK DRIVER (DEMOLITION)		
2 OR 3 Axles	\$ 30.70	12.20
4 Axles.....	\$ 30.95	12.20
5 Axles.....	\$ 31.15	12.20
6 Axles.....	\$ 31.35	12.20

TEAM0731-003 05/01/1997

	Rates	Fringes
Traffic Control Device Monitor		
TRAFFIC SAFETY WORKERS:		
Traffic Safety Worker		
primary duties include but		
are not limited to the		
delivery, maintenance and		
pick-up of traffic control		
devices, the set-up and		
installation of traffic		
signs, pavement markings,		
barricades, crash barrels		
and glare screens, and		
traffic control		
surveillance, the repair		
and maintenance of the		
company's trucks, cars,		
arrow boards, message		
signs, barricade and sign		
fabrication equipment.....	\$ 16.15	108.75/wk+a

FOOTNOTE a:

1. The following paid holidays: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; and Christmas Day provided the employee has earned a vacation the previous year or have worked thirty-one days in the current year before the holiday, or have seniority as stated herein; work the scheduled work day before and the scheduled day after the holiday; work one day in the holiday week; and work one scheduled work day after the holiday.

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2. Paid vacation is earned the first year of employment, but may not be taken until after their first anniversary date. One and two years of employment receive 40 hours of paid vacation; Three thru nine years of employment receive 80 hours of paid vacation; Ten thru nineteen years of employment receive 120 hours of paid vacation; and Twenty years and over receive 160 hours of paid vacation.

3. Personal time (floating holidays) will be earned on a per hour worked basis. New employees will earn personal time during the first year of employment, but may not be take personal time until after their first anniversary date. Personal time is earned in the following way: One and two years receive 8 hours of personal time; Three thru nine years receive sixteen hours of personal time; and ten years and over receive twenty-four hours of personal time.

TEAM0786-001 06/01/2004

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 27.625	d, e, f
4 Axles.....	\$ 27.875	d, e, f
5 Axles.....	\$ 28.075	d, e, f
6 Axles.....	\$ 28.625	d, e, f

FOOTNOTES FOR TRUCK DRIVERS (BUILDING & RESIDENTIAL):

d. \$327.00 per week.

e. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

f. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.
=====

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be

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prevailing.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
 Wage and Hour Division
 U.S. Department of Labor
 200 Constitution Avenue, N.W.
 Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
 U.S. Department of Labor
 200 Constitution Avenue, N.W.
 Washington, DC 20210

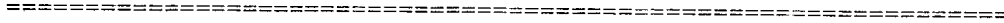
The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
 U.S. Department of Labor
 200 Constitution Avenue, N.W.
 Washington, DC 20210

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4.) All decisions by the Administrative Review Board are final.



END OF GENERAL DECISION

Property of Cook County Clerk's Office

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General Decision Number: IL080020 07/25/2008 IL20

Superseded General Decision Number: IL20070020

State: Illinois

Construction Types: Building Landscape, Heavy Landscape,
Highway Landscape and Residential Landscape

BUILDING CONSTRUCTION (LANDSCAPE WORK):

Counties: Boone, Cook, De Kalb, Du Page, Grundy, Henry, Kane,
Kankakee, Kendall, Lake, McHenry, McLean, Ogle, Peoria, Rock
Island, Tazewell, Will, Winnebago and Woodford Counties in
Illinois.

LANDSCAPING WORK ON BUILDING, RESIDENTIAL, HEAVY AND HIGHWAY
CONSTRUCTION PROJECTS.

Modification Number	Publication Date
0	02/08/2008
1	05/02/2008
2	06/06/2008
3	07/04/2008
4	07/25/2008

ENGI0150-013 01/01/2008

BUILDING AND HIGHWAY CONSTRUCTION (LANDSCAPE WORK): The
landscape work for the Landscape Equipment Operator excludes
the preparation of sub-grade prior to application of finish
landscape materials and the utilization of any equipment over
one cubic yard.

BOONE, COOK, DUPAGE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY, AND
WILL COUNTIES

Rates Fringes

Landscape Worker (Includes
Angle Dozer, Small; Bobcat
and other similar type
machines, 1 cu yd or less;
Chipping Machine; Combination
Backhoe and Front End Loader
1 cu yd or less; Fork Lift
Truck; Hi-Reach and
High-Ranger; Hydraulic Boom
with Clam; Log Skidder; Straw
Blower and Seeder; Stump
Machine; Tractors, Crawlers,
Rubber Tire Tractors,
Highlift Shovels or Front End

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Loaders 1 cu yd or less; Tree Spades, all; Utility Tractor and attachments, and Rubber Tire Front End loader or similar machine of 1 to 1.5 cu yd solely used for placement of large decorative boulders, trees with balled soil, and other decorative landscape material too large to be accommodated in a 1 cu yd bucket. All other equipment utilized for performing landscape work, tree trimming or removal of stumps, and to install plants; transport trees, excavate plant pits; place soil and other landscape materials; and apply finish landscape material on subgrade prepared by others).....\$ 23.00 1.65+A+B+C

FOOTNOTE:

A. Health and Welfare contribution is \$810.00 per month effective January 1, 2007 and \$895.00 per month effective January 1, 2008.

B. Paid Holidays: New Year's Day; Memorial Day; Fourth of July; Labor Day; Thanksgiving Day; and Christmas Day are provided the employee if they work their regularly scheduled work day immediately preceding and the regularly work day immediately succeeding the occurrence of the holiday.

C. Paid Vacation: All employees who have been in the employ of the Employer for a full season of work shall be entitled to one (1) week of vacation with pay. Employees who have been paid for not less than twelve hundred (1200) straight time hours since their most recent anniversary date of hire at vacation time will be deemed to have worked one full season. All employees who have been in the employ of their Employer for three(3) or more consecutive full seasons of work shall at the conclusion of their current season be entitled to two (2) weeks of paid vacation. All employees who have been in the employ of their employer for nine (9) or more consecutive full seasons of work shall be entitled to three (3) weeks of paid vacation.

ENGI0150-023 01/01/2008

HIGHWAY CONSTRUCTION (LANDSCAPE WORK): The landscape work for the Landscape Equipment Operator excludes the preparation of sub-grade prior to application of finish landscape materials and the utilization of any equipment over one cubic yard.

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HENRY, MCLEAN, OGLE, PEORIA, ROCK ISLAND, TAZEWELL, WINNEBAGO,
and WOODFORD COUNTIES

Rates Fringes

Laborer: Landscape Equipment
Operator

Includes the following:
 Angle Dozer, Small; Bobcat
 and other similar type
 machines, 1 cu yd or less;
 Chipping Machine;
 Combination Backhoe and
 Front End Loader 1 cu yd
 or less; Fork Lift Truck;
 Hi-Reach and High-
 Ranger; Hydraulic Boom with
 Clam; Log Skidder; Straw
 Blower and Seeder; Stump
 Machine; Tractors,
 Crawlers, Rubber Tire
 Tractors, Highlift Shovels
 or Front End Loaders 1 cu
 yd or less; Tree Spades,
 all; Utility Tractor and
 attachments, and Rubber
 Tire Front End loader or
 similar machine of 1 to
 1.5 cu yd solely used for
 placement of large
 decorative boulders, trees
 with balled soil, and
 other decorative landscape
 material too large to be
 accommodated in a 1 cu yd
 bucket. All other
 equipment utilized for
 performing landscape work,
 tree trimming or removal
 of stees, and to install
 plants; transport trees;
 excavate plant pits; place
 soil and other landscape
 materials; and apply
 finish landscape material
 on subgrade prepared by
 others.....\$ 23.00

1.65+A+B+C

FOOTNOTE:

- A. Health and Welfare contribution of 735.00 per month
- B. Paid Holidays: New Year's Day; Memorial Day; Fourth of July; Labor Day; Thanksgiving Day; and Christmas Day are provided the employee if they work their regularly

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scheduled work day immediately preceding and the regularly work day immediately succeeding the occurrence of the holiday.

C. Paid Vacation: All employees who have been in the employ of the Employer for a full season of work shall be entitled to one (1) week of vacation with pay. Employees who have been paid for not less than twelve hundred (1200) straight time hours since their most recent anniversary date of hire at vacation time will be deemed to have worked one full season. All employees who have been in the employ of their employer for three (3) or more consecutive full seasons of work shall at the conclusion of their current season be entitled to two (2) weeks of paid vacation. All employees who have been in the employ of their employer for nine (9) or more consecutive full seasons of work shall be entitled to three (3) weeks of paid vacation.

LABO0032-004 05/01/2008

HIGHWAY CONSTRUCTION:

OGLE AND WINNEBAGO COUNTIES

	Rates	Fringes
Landscape Laborer.....	\$ 26.29	17.25

LABO0362-003 05/01/2008

HIGHWAY CONSTRUCTION

MCLEAN COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 26.95	13.12

LABO0751-004 05/01/2008

HIGHWAY CONSTRUCTION

KANKAKEE COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 27.99	15.81

LABO0852-004 05/01/2006

HIGHWAY CONSTRUCTION

ROCK ISLAND AND HENRY COUNTIES:

	Rates	Fringes
Landscape Laborer.....	\$ 21.94	12.79

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LABO0996-004 05/01/2008

HIGHWAY CONSTRUCTION

PEORIA, TAZEWELL, AND WOODFORD COUNTIES

	Rates	Fringes
Landscape Laborer.....	\$ 27.27	13.10

* SUIL1993-001 01/19/1993

BUILDING CONSTRUCTION (LANDSCAPE WORK):

	Rates	Fringes
Laborers:		
BOONE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY, & WILL COUNTIES		
LANDSCAPE LABORERS.....	\$ 7.14	
COOK COUNTY		
LANDSCAPE LABORERS.....	\$ 7.19	
LANDSCAPE PLANTSMAN.....	\$ 9.80	1.82
DE KALB COUNTY		
LANDSCAPE LABORERS.....	\$ 6.55	
LANDSCAPE OPERATORS.....	\$ 6.55	
LANDSCAPE PLANTSMAN.....	\$ 9.66	.26
DU PAGE COUNTY		
LANDSCAPE LABORERS.....	\$ 6.55	
LANDSCAPE PLANTSMAN.....	\$ 9.04	1.16
GRUNDY, LAKE & WILL COUNTIES		
LANDSCAPE DRIVER 2 & 3		
Axles.....	\$ 11.86	2.81
LANDSCAPE PLANTSMAN.....	\$ 12.00	3.37

* SUIL1993-002 01/19/1993

HEAVY CONSTRUCTION (LANDSCAPE WORK)

	Rates	Fringes
Laborers:		
BOONE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY & WILL COUNTIES:		
LANDSCAPE DRIVER, 2 & 3		
AXLES.....	\$ 11.94	2.42
LANDSCAPE LABORERS.....	\$ 6.96	
LANDSCAPE OPERATORS.....	\$ 13.11	3.01
LANDSCAPE PLANTSMAN.....	\$ 9.73	2.05
COOK COUNTY:		
LANDSCAPE DRIVER, 2 & 3		
AXLES.....	\$ 9.93	1.89
LANDSCAPE LABORERS.....	\$ 6.55	

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LANDSCAPE OPERATORS.....	\$ 10.98	2.12
LANDSCAPE PLANTSMAN.....	\$ 10.08	2.06
DE KALB COUNTY:		
LANDSCAPE LABORERS.....	\$ 6.55	
LANDSCAPE OPERATORS.....	\$ 6.55	
LANDSCAPE PLANTSMAN.....	\$ 9.66	.26
DU PAGE COUNTY:		
LANDSCAPE DRIVER, 2 & 3		
AXLES.....	\$ 8.32	1.02
LANDSCAPE LABORERS.....	\$ 6.55	
LANDSCAPE OPERATORS.....	\$ 10.75	
LANDSCAPE PLANTSMAN.....	\$ 10.65	

 * SUIL1993-003 01/19/1993

HIGHWAY CONSTRUCTION (LANDSCAPE WORK):

	Rates	Fringes
Laborers:		
DE KALB COUNTY		
LANDSCAPE LABORERS.....	\$ 6.55	
LANDSCAPE OPERATORS.....	\$ 6.55	
LANDSCAPE PLANTSMAN.....	\$ 9.66	.26
KANKAKEE COUNTY:		
LANDSCAPE DRIVER.....	\$ 8.75	.17
LANDSCAPE OPERATOR.....	\$ 15.57	3.56
PEORIA, TAZEWELL, & WOODFORD COUNTIES:		
TRUCK DRIVERS 2 & 3 AXLES..	\$ 17.58	5.88

 TEAM0179-003 06/01/2002

HIGHWAY CONSTRUCTION:

MCLEAN COUNTY:

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 27.55	a
4 AXLES.....	\$ 27.70	a
5 AXLES.....	\$ 27.90	a
6 AXLES.....	\$ 28.10	a

FOOTNOTE: a. \$296.00 per week

 TEAM0179-004 06/01/2002

HIGHWAY CONSTRUCTION:

OGLE & WINNEBAGO COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 27.55	a

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4 AXLES.....	\$ 27.70	a
5 AXLES.....	\$ 27.90	a
6 AXLES.....	\$ 28.10	a

FOOTNOTE: a-\$296.00 per week.

* TEAM0703-001 12/01/1993

HIGHWAY CONSTRUCTION (LANDSCAPE WORK):

	Rates	Fringes
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Laborers:

BOCKE, KANE, KENDALL &
MCHENRY COUNTIES

BUILDING CONSTRUCTION
(LANDSCAPE WORK):

Landscape Plantsman.....	\$ 10.38	
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BOONE, COOK, DUPAGE,
GRUNDY, KANE, KENDALL,
LAKE, MCHENRY, & WILL
COUNTIES

HIGHWAY CONSTRUCTION
(LANDSCAPE WORK):

Landscape Laborers.....	\$ 6.55	
Landscape Plantsman.....	\$ 10.38	
Landscape Truck Driver-2		
Axle.....	\$ 11.43	A
Landscape Truck Driver-3		
Axle.....	\$ 11.88	A

COOK & DUPAGE COUNTIES

BUILDING CONSTRUCTION
(LANDSCAPE WORK):

Landscape Truck Driver-2		
Axle.....	\$ 11.43	A

COOK & DUPAGE COUNTIES

BUILDING CONSTRUCTION
(LANDSCAPE WORK):

Landscape Truck Driver-3		
Axle.....	\$ 11.88	A

FOOTNOTE

A. Health and Welfare contribution of \$264.35 per month. All employees who have been employed 30 days or more shall

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receive the following paid holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. All employees who have been employed for a full season and who have not worked less than 1200 hours shall be entitled to one week of vacation pay. Employees who have worked 3 or more consecutive full seasons and worked at least 1200 hours per season, shall be entitled to 2 weeks of vacation pay.

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (i) (ii)).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

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2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

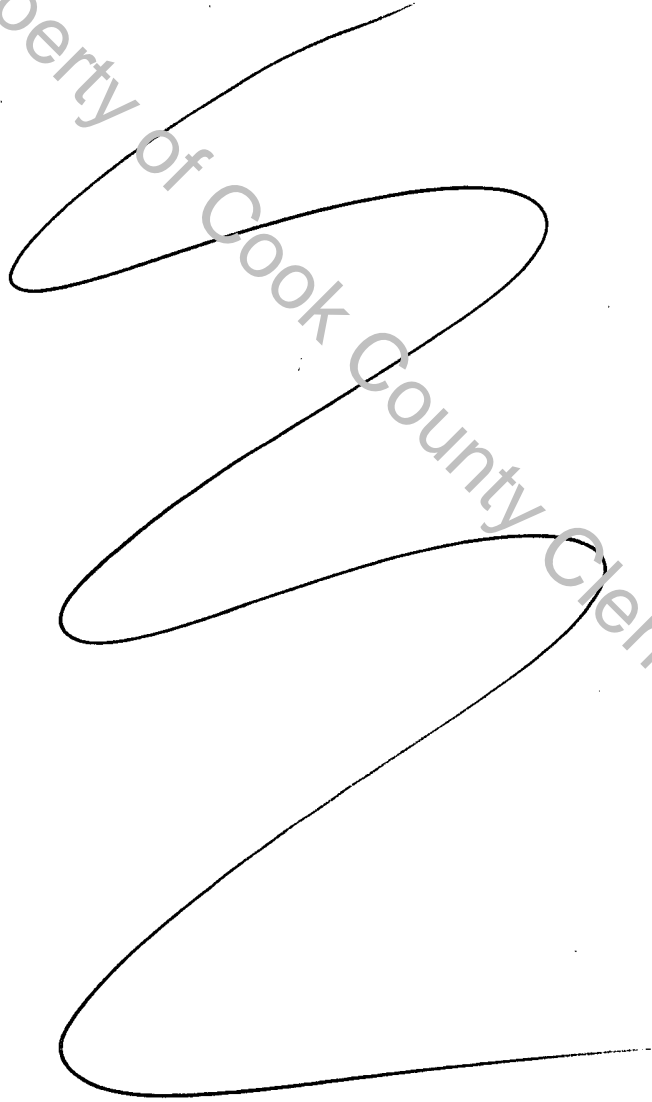
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EXHIBIT H

Labor Standards Deposit Agreement

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Labor Standards Deposit Agreement	U.S. Department of Housing and Urban Development Office of Labor Relations
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Date:	Project No:
	Project Name:

In order to induce the Department of Housing and Urban Development (HUD) to provide or complete the program assistance associated with this project while issues remain outstanding in connection with amounts that may be due as wages under the Davis-Bacon and Related Acts and/or as liquidated damages under the Contract Work Hours and Safety Standards Act, the undersigned (*Depositor*) submits confirmation of deposit, by electronic funds transfer, to the account specified by HUD in the amount of \$.

Depositor agrees that this deposit is made shall be held by HUD for the purpose(s) and disposition(s) as indicated, below, and as indicated on the attached Schedule for Deposit: (HUD Labor Relations staff: Check boxes, below, as applicable to deposit.)

<input type="checkbox"/> 1.	Where there is no dispute as to the amount of unpaid wages due but without awaiting receipt of evidence that the workers named on the attached Schedule have received the wages due them , in the respective amounts listed on the Schedule for Deposit;
<input type="checkbox"/> 2.	Where HUD or the U.S. Department of Labor (DOL) has reason to believe that there may be unpaid wages due for work performed in the construction of the project but without awaiting an administrative determination of the wages which may be due and unpaid by employers named on the attached Schedule in the respective amounts estimated by HUD or DOL and listed on the Schedule for Deposit;
<input type="checkbox"/> 3.	Where HUD or DOL has made its determination of wages due but without awaiting the outcome of an appeal which has been filed or is to be filed with HUD or DOL by or on behalf of the <i>Depositor</i> , the principal contractor, subcontractor, other employer involved contesting the finding of HUD or DOL that wages for work performed in the construction of the project are due and unpaid to the workers named on the attached Schedule in respective amounts listed on the Schedule for Deposit; and/or
<input type="checkbox"/> 4.	Where liquidated damages have been calculated and/or assessed for overtime violations of the Contract Work Hours and Safety Standards Act, as reflected on the attached Schedule for Deposit.

Disposition of Deposit Account

Items 1 through 4: In all cases involving unpaid wages ultimately found due, wage payments will be made directly to the affected workers by the responsible employer or the *Depositor*, or by HUD from the funds submitted herewith. If the wages are paid to the affected workers by the responsible employer or the *Depositor*, a refund equal to the amount(s) paid shall be made to the *Depositor* as wage payment evidence, in the form of a certified payroll report(s), is provided to HUD. HUD will retain on behalf of affected employees any amount(s) deposited for wages found due that are not paid by the responsible employer or *Depositor*, and will also retain any liquidated damages that are assessed.

Where items 2, 3, and/or 4 have been checked, when the amount of unpaid wages has been finally determined by HUD or DOL, funds sufficient to pay the total gross amount of wages and any liquidated damages computed and/or assessed for overtime violations, as applicable, shall be held by HUD and the balance of the funds deposited, if any, shall be returned to the *Depositor*. If the final HUD or DOL determination and/or liquidated damages assessment is appealed, when the appellant and HUD or DOL have agreed on any amounts due or have exhausted any rights of appeal, funds sufficient to pay the total gross amount of the wages and any liquidated damages found due by the highest authority which has ruled in the matter shall be held by HUD, and the balance of the funds deposited, if any, shall be returned to the *Depositor*.

Depositor:	Street Address:
By: (signature)	City, State, Zip Code:
Name and Title:	Telephone Number:
Depositor Tax ID Number (required to process refund):	Deposit Ticket Number: LR- -DT- -

Schedule for Deposit (attached)