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REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT entered into and effective as of the 22nd day of December, 2011 (this "Regulatory Agreement"), by and between the CHICAGO LOW-INCOME HOUSING TRUST FUND, an Illinois not-for-profit corporation (the "Trust Fund"), and NORTH & TALMAN III LIMITED PARTNERSHIP, an Illinois limited partnership, with offices located at 325 North Wells Street, Suite 800, Chicago, Illinois 60654 (the "Owner").

WITNESSETH

WHEREAS, the Trust Fund, through the City of Chicago, has received from the Illinois Housing Development Authority ("IHDA") an allocation of funds pursuant to the Rental Housing Support Program Act, 30 ILCS 105 et seq., as amended, supplemented and restated from time to time (together with any and all rules promulgated hereunder, the "RHSP Act"), which authorizes the Trust Fund to make certain funds available to participating landlords 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;

WHEREAS, the Trust Fund intends to grant a sum (hereinafter referred to as the "Grant") of funds to Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("Hispanic Housing"), in the amount and for the purposes set forth herein and on Exhibit B attached hereto and hereby made a part hereof;

WHEREAS, Hispanic Housing is the sole member of Hispanic Housing NT III, LLC, an Illinois limited liability company ("HHDC LLC"), and HHDC LLC is the sole shareholder of North and Talman III Corporation, an Illinois corporation, which is the general partner (the "General Partner") of NORTH & TALMAN III LIMITED PARTNERSHIP, an Illinois limited partnership (the "Owner");

WHEREAS, Hispanic Housing will contribute the Grant proceeds through HHDC LLC to the General Partner, which will make a capital contribution of such Grant proceeds to the Owner for use by the Owner to finance a portion of the construction and rehabilitation of the Project (as hereinafter defined);

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WHEREAS, in order to secure the Grant and the obligations of the Owner under this Regulatory Agreement, the Owner will execute and deliver the Mortgage (as hereinafter defined) to the Trust Fund;

WHEREAS, the Owner will utilize the contributed Grant proceeds in connection with the construction and/or development of the property (as legally described on Exhibit A attached hereto and hereby made a part hereof and as further defined on Exhibit B hereto); and

WHEREAS, as a specific condition precedent to Hispanic Housing receiving the Grant and the Owner subsequently receiving the Grant proceeds, the Owner has agreed to execute this Regulatory Agreement with the Trust Fund 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 Owner and the Trust Fund 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.

“**Annual Income**” shall have the meaning given to such term in 47 Ill. Admin. Code 380.103.

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

“**Associated Person**” shall mean any Person that includes the Owner or those with whom the Owner has or had family or business ties.

“**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.

“**Claims**” shall mean any and all claims, demands, actions, notices, liens, suits, causes of action, complaints, enforcement actions, citations, notices of violation, legal or administrative proceedings, warnings or inquiries.

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“**Closing Date**” shall mean the date hereof.

“**Completion Date**” shall mean the date as of which (i) the necessary title transfer requirements and/or the construction and/or rehabilitation (as applicable) work have been performed, (ii) the Project complies with the habitability standards in the RHSP Act and Regulations, 47 Ill. Admin. Code 380.613, (iii) the units in the Project comply with the housing quality standards in 24 CFR 982.401, and (iv) the final disbursement of Grant proceeds derived from LTOS Funds for the Project shall have been made.

“**Costs**” shall mean any and all costs, expenses, damages, judgments, obligations, contributions, cost recovery compensation, penalties, fines or fees (including reasonable attorneys’, experts, and consulting fees and disbursements and expenses incurred in investigating, defending or prosecuting any Claim).

“**HED**” shall mean the Chicago Department of Housing and Economic Development of the City, and any successor to said Department.

“**Environmental Laws**” shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 *et seq.*); (ii) any so called “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 *et seq.*); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 *et seq.*); (v) the Clean Air Act (42 U.S.C. Section 7401 *et seq.*); (vi) the Clean Water Act (33 U.S.C. Section 1251 *et seq.*); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 *et seq.*); (viii) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Section 136 *et seq.*); (ix) the requirements of Executive Order 11738; (x) Environmental Protection Agency regulations (40 C.F.R. Part 15); (xi) the Illinois Environmental Protection Act (415 ILCS 5/1 *et seq.*); and (xii) the Municipal Code of Chicago.

“**Escrow Agreement**” shall mean that certain Escrow Agreement among the Trust Fund, Hispanic Housing, the Owner, the Senior Lenders, the General Contractor and the Escrow Agent, dated as of the Closing Date, as from time to time amended, supplemented and restated.

“**Extremely Low-Income Household**” shall mean any Household whose Annual Income is less than or equal to fifteen percent (15%) of the Chicago-area median income, adjusted for family size, as such adjusted income and median income for the Chicago-area are determined from time to time by HUD (as hereinafter defined) for purposes of Section 8 of the 1937 Act.

“**Extremely Low-Income Project**” shall mean the two (2) units in the Project (described in Section II of Exhibit B) financed with LTOS Funds and required to be occupied by Extremely Low-Income Households.

“**First Reporting Date**” shall mean the first April 1 following completion of acquisition, construction and/or rehabilitation (as applicable) of the Project.

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“**Grant Agreement**” shall mean the Grant Agreement, of even date herewith, between Hispanic Housing and the Trust Fund with respect to the Grant, as hereafter amended, supplemented and restated from time to time.

“**Grant Documents**” shall have the meaning given to such term in the Grant Agreement.

“**Hazardous Materials**” shall mean: (i) any hazardous substance, material or waste, toxic substance or regulated material including but not limited to any substance defined in or regulated by any and all Environmental Laws; (ii) crude oil, petroleum or any fraction thereof, which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute); (iii) any waste oil; (iv) any flammable or explosive material; (v) any radioactive materials; (vi) asbestos and asbestos containing materials in any form or condition; (vii) polychlorinated biphenyls (PCBS) or substances or compounds containing PCBS; (viii) urea formaldehyde foam insulation; (ix) pesticides, rodenticides and insecticides; (x) “special waste” as defined in 415 ILCS 5/3.45; (xi) lead - based paint; and (xii) any and all other chemicals, pollutants, contaminants, mixtures or dangerous substances, materials or wastes.

“**Household**” shall mean a single person, family or unrelated persons living together.

“**HUD**” shall mean the United States Department of Housing and Urban Development.

“**IHDA**” shall mean the Illinois Housing Development Authority, a body corporate and politic, and its successors and assigns.

“**Income Verification Form**” shall mean the form 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.

“**Inspection Period**” shall mean a period beginning on the date hereof and ending on the fifth anniversary of the Repayment Date.

“**Last Reporting Date**” shall mean the first April 1 following the end of the Project Term.

“**Losses**” shall mean injuries, Costs, Claims, liabilities and taxes (of any character or nature whatsoever, regardless of by whom imposed), and losses of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected with Hispanic Housing, the Owner, the Project, the Grant Documents, including, but not limited to, (i) Claims for loss or damage to any property or injury to or death of any person asserted by or on behalf of any person, firm, corporation, governmental authority or other entity arising out of, resulting from, or in any way connected with the Project, or the condition, occupancy use, possession, conduct or management of, or any work done in, about or involving the Project; or (ii) any Claim arising out of any performance by the Trust Fund of any act required of it under any of the Grant Documents.

“**Low-Income Households**” shall mean and include Households whose annual income does not exceed eighty percent (80%) of the Chicago-area median income for the area adjusted

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for Household size, as such annual income and Chicago-area median income may be determined from time to time by HUD.

"LTOS Funds" shall mean the portion of the RHSP Program funds granted by IHDA to the Trust Fund (through the City) under the RHSP Act which are being granted to Hispanic Housing and subsequently provided to the Owner through a general partner capital contribution, all in accordance herewith.

"LTOS Program" shall mean the LTOS Program created under the RHSP Act.

"Mortgage" shall mean that certain Junior Mortgage, Security Agreement and Financing Statement of even date herewith from The Owner to the Trust Fund, 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.*

"Owner" shall mean, initially, North & Talman III Limited Partnership, an Illinois limited partnership, and at any subsequent time of reference, the Person or Persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

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

"Premises" shall have the meaning set forth in the Mortgage.

"Project" shall mean those four (4) units at the property described on Exhibit A hereto which collectively comprise the Severely Low-Income Project and the Extremely Low-Income Project.

"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 2.17, 2.18, 6.2 and 15 hereof, through and including the Repayment Date.

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

"Repayment Date" shall mean the later of (i) the date that is thirty (30) years from the date hereof and (ii) the date on which all amounts due and payable to the Trust Fund under the Grant Documents shall have been paid or forgiven (in favor of Hispanic Housing) in full (or deemed by the Trust Fund in its sole discretion to have been paid in full pursuant to the terms of the Grant Agreement).

"Severely Low-Income Household" shall mean any Household whose Annual Income is less than or equal to fifteen percent (15%) of the Chicago-area median income, adjusted for family size, as such adjusted income and median income for the Chicago-area are determined from time to time by HUD for purposes of Section 8 of the 1937 Act.

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“**Severely Low-Income Project**” shall mean the two (2) units in the Project (described in Section II of Exhibit B) financed with LTOS Funds and required to be occupied by Severely Low-Income Households.

“**Source Documentation**” shall have the meaning given to such term in Section 2.17 hereof.

“**State**” shall mean the State of Illinois.

“**Transfer**” shall have the meaning given to such term in Section 6.2(a) hereof.

“**URA**” shall have the meaning assigned to that term in Section 2.25 hereof.

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

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

SECTION 2. OWNER’S REPRESENTATIONS AND COVENANTS

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

2.1 The Owner shall use the Grant proceeds solely for Project Costs (as defined in the Grant Agreement) in connection with the Project.

2.2 The Project shall be acquired, constructed and/or rehabilitated, as applicable, for the purpose of providing residential rental property, and the Owner shall own, manage and operate the Project as residential rental units and facilities functionally related and incidental thereto.

2.3 None of the units in the Extremely Low-Income Project or the Severely Low-Income Project shall at any time be used on a transient basis, nor shall any portion thereof 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.

2.4 Subject to Sections 2.6 and 2.9 hereof, the Owner may increase the rent stated in Section II, paragraph 1 of Exhibit B hereto annually with notice to the Trust Fund, but without the consent of the Trust Fund, so long as the increase does not exceed either: (i) two percent (2%) of the rent approved by IHDA and the Trust Fund as of the Closing Date, provided this limit may change at the discretion of IHDA, or (ii) exceed the limits established in the RHSP Act and Regulations, including but not limited to those established under 47 Ill. Admin. Code 380.306-07.

2.5 (a) After completion of the construction and/or rehabilitation, as applicable, of the Project all of the units in the Severely Low-Income Project shall be occupied only by households who are Severely Low-Income Households.

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(b) After completion of the construction and/or rehabilitation, as applicable, of the Project all of the units in the Extremely Low-Income Project shall be occupied only by households who are Extremely Low-Income Households.

2.6 The rents paid by tenants for all the units in the Project shall not exceed the greater of the maximum rent established under the federal Low Income Housing Tax Credit Program for a comparable unit rented by a tenant with an Annual Income less than or equal to sixty percent (60%) of the Median Income (as such term is defined in 47 Ill. Admin. Code 380.103) and one hundred twenty percent (120%) of HUD's fair market rent for a comparable unit in the Chicago area.

2.7 Intentionally omitted.

2.8 Intentionally omitted.

2.9 The rents described in Sections 2.4 and 2.6 hereof and Section II, paragraph 1 of Exhibit B hereto as prepared by the Owner shall be subject to review and approval by the Trust Fund annually and shall not exceed the maximum amount(s) provided by the Trust Fund annually to the Owner for the Extremely Low-Income Project and the Severely Low-Income Project. The amount(s) proposed by the Owner as Utilities shall also be subject to the annual review and approval of the Trust Fund. The Owner shall not increase rents for units of the Extremely Low-Income Project or the Severely Low-Income Project during any year during the Project Term until after receiving the updated maximum rent limits for such year from the Trust Fund; any such rent increase shall thereafter be promptly reported by the Owner in writing to the Trust Fund.

2.10 Intentionally omitted.

2.11 Intentionally omitted.

2.12 All tenant leases for the Project shall be on the form approved by the Trust Fund prior to the date hereof. Any amendment to such lease or revised form shall be subject to the Trust Fund's approval, shall be written, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance, and shall contain clauses, inter alia, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Income Verification Form and (ii) agrees that the Household income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Owner or the Trust Fund, and that the failure to provide accurate information in the Income Verification Form 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.

2.13 All leases for the Project shall be for a period of not less than one (1) year, unless by mutual agreement of the tenant and the Owner. Notwithstanding the foregoing, rents will not be set more than one (1) year in advance. All leases (i) shall contain a Rental Assistance Rider, in the form attached hereto as Exhibit C or such other form as required by IHDA or the Trust Fund from time to time, and (ii) indicate whether Owner or the tenant is responsible for paying utilities.

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2.14 The Owner shall not terminate the tenancy or refuse to renew the lease of a tenant of the Project except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable federal, State or local law, as provided under paragraph 2(3)(b) of Section II of Exhibit B hereto, or for other good cause. Any refusal to renew shall be preceded by not less than thirty (30) days by the Owner's service upon the tenant of a written notice specifying the grounds for the action. For each tenant of the Project whose tenancy is to be terminated, the Owner 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 thirty (30) days after receipt by the tenant of such written notice.

2.15 Any increase in rents on the Project shall be subject to the provisions of outstanding leases. Where the leases allow an increase in rent, the Owner shall provide tenants with not less than thirty (30) days' prior written notice before implementing any increase in rents.

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

2.17 The Owner shall obtain and maintain on file during the Project Term a sworn and signed Income Verification Form with respect to each and every individual, group of unrelated individuals or Household who is a tenant in the 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 Owner (a) prior to such tenant or tenants occupying the unit or signing a lease with respect thereto, and (b) thereafter at least annually so long as such individual, individuals or Household remain as tenants in the Project. The first Income Verification Form obtained from any tenant shall have attached thereto copies of source documentation (e.g., wage statements, interest statements and unemployment compensation statements) for such tenant's income (the "**Source Documentation**"). Each Income Verification Form shall be kept on file with the Owner during the Inspection Period; subject to Section 6.2 hereof, this covenant shall survive beyond the Termination Date up to and until the expiration of the Inspection Period. The Owner shall assist each of the tenants in the Project in completing the Income Verification Form if necessary. If the Owner shall become aware of evidence that any Income Verification Form failed to state completely and accurately information about the Household size or income of the applicable tenants, the Owner shall examine Source Documentation for such tenants.

2.18 The Owner agrees that it will take any and all actions required by the Trust Fund to substantiate the Owner's compliance with the restrictions set forth herein, including, but not limited to, submitting to the Trust Fund an Annual Report executed by the Owner, commencing on the First Reporting Date and on each April 1 thereafter through and including the Last Reporting Date. Subject to Section 6.2 hereof, this covenant shall survive beyond the end of the Project Term up to and until the expiration of the Inspection Period.

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2.19 The Owner shall provide to the Trust Fund a tenant profile for each Severely Low-Income Household and Extremely Low-Income Household for each unit in the Project within thirty (30) days after such unit is leased to either such Household. For each unit in the Project, promptly after the first leasing of such unit after the Completion Date, the Owner shall provide the Trust Fund, unless prohibited by law, with data on the racial, ethnic, gender and income-level characteristics of (a) if the Project consists of one or more existing buildings to be rehabilitated, 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 ninety (90) days following the Completion Date. For each subsequent leasing of the unit, the Owner shall provide the Trust Fund, unless prohibited by law, with data on the racial, ethnic, gender and income-level characteristics of each tenant moving into the unit.

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

2.21 Intentionally omitted

2.22 The Owner has submitted to the Trust Fund a Tenant Selection and Outreach Plan containing policies and criteria that: (a) are consistent with the purpose of providing housing for Severely Low-Income Households and Extremely Low-Income Households, (b) are reasonably related to the applicants' ability to perform the obligations of the lease, and (c) 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.

2.23 No Person in the United States of America 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 Owner shall cause the Project to comply at all times with the Chicago Fair Housing Ordinance, Section 5-8-010 et seq. of the Municipal Code of Chicago.

2.24 The Owner shall be subject to, obey and adhere to any and all federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as are now or may be in effect which may be applicable to the Owner and/or the Project, including but not limited to: (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.,

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1966-70 Comp., p.803; 3 C.F.R., 1978 Comp., p.230 and 3 C.F.R., 1978 Comp., p.264, respectively) (Equal Employment Opportunity Programs) and the implementing regulations issued at 41 C.F.R. Chapter 60; (e) the requirements of Executive Order 11625, as amended by Executive Order 12007 (3 C.F.R., 1971-75 Comp., p.616 and 3 C.F.R., 1977 Comp., p.139) (Minority Business Enterprises); Executive Order 12432 (3 C.F.R., 1983 Comp., p.198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 C.F.R., 1977 Comp., p.393 and 3 C.F.R., 1987 Comp., p.245) (Women's Business Enterprise), (f) the Copeland "Anti-kickback Act", 18 U.S.C. Section 874, as supplemented by U.S. Department of Labor regulations at 29 C.F.R. Part 3; (g) all Environmental Laws; and (h) the RHSP Act.

2.25 The Owner shall take all reasonable steps to minimize the displacement of Households, individuals, businesses, not-for-profit organizations and farms (herein for the purposes of this paragraph collectively called "People") as a result of the Project

2.26 Intentionally omitted.

2.27 The Project shall comply with the lead-based paint regulations of the RSHP Act and Regulations, 47 Ill. Admin. Code 380.614. Any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

2.28 The Owner has not executed and shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event except for the requirements of the Low Income Housing Tax Credit Regulatory Agreement and where federal requirements supersede the requirements set forth herein, 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.

2.29 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 Owner shall keep the Project in compliance with (a) the Multi-Unit Rehabilitation Construction Guidelines of HED, (b) where applicable, the minimum accessibility requirements as outlined in the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., as amended, the Illinois Accessibility Code, 71 Ill. Admin. Code 400, as amended, and the Americans with Disabilities Act, 42 U.S.C. 12101, et seq., as amended and supplemented, (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.

2.30 The Owner shall not request disbursement of Grant funds until such funds are needed to pay for Project Costs.

2.31 Intentionally omitted.

2.32 (a) No individual who is an employee, agent, consultant, officer or elected or appointed official of the City or the Trust Fund (and no individual who was an employee, agent, consultant, officer or elected or appointed official of the City or the Trust Fund within one (1) year prior to the date hereof) and who exercises or has exercised any functions or responsibilities

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with respect to activities assisted with LTOS 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.

(b) No individual who is an officer, employee, agent, consultant or elected or appointed official of the Owner 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.

(c) No former member, official or employee of the City or the Trust Fund shall, for a period of one (1) year after the termination of the member's, official's or employee's term of office or employment, assist or represent the Owner in any business transaction involving the City or any of its agencies or the Trust Fund, if the member, official or employee participated personally and substantially in the subject matter of the transaction during his/her term of office or employment, provided that if the member, official or employee exercised contract management authority with respect to a contract (including any grant or loan from the City or the Trust Fund), this prohibition shall be permanent as to that contract.

2.33 Except as otherwise disclosed to the Trust Fund in writing, all of the statements, representations and warranties of Hispanic Housing or the Owner contained in the application for the Grant and any other document submitted by Hispanic Housing or the Owner to the Trust Fund in connection with the Project remain true and in effect in all material respects as of the date hereof.

2.34 The Owner shall comply with the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code of Chicago.

2.35 The Owner understands and will comply with all the applicable provisions of Chapter 2-56 of the Municipal Code of Chicago (Office of the Inspector General).

2.36 Intentionally omitted.

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

2.38 The Owner shall obtain and comply with, as applicable, all governmental notices, permits, certificates and consents (including without limitation, all environmental permits and other authorizations) necessary to operate the Project.

2.39 The Owner shall not enter into any transaction which would materially and adversely affect the Owner's ability to operate the Project in accordance with the terms and conditions of this Regulatory Agreement.

2.40 The Owner shall maintain and provide to the Trust Fund, at the earliest practicable date but no later than one hundred twenty (120) days following the end of the Owner's fiscal year, annual audited financial statements prepared by a certified public accountant in accordance with generally accepted accounting principles and practices

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consistently maintained throughout such periods as required by the Trust Fund. In addition, upon the Trust Fund's request, the Owner shall submit statements of the Owner's financial condition prepared in accordance with generally accepted accounting principles and practices consistently maintained throughout such periods as required by the Trust Fund.

2.41 The Owner shall maintain and provide to the Trust Fund, no later than thirty (30) days following the end of each calendar year: (i) all leases and Income Verification Forms executed in connection with the Project since the later of the execution of this Regulatory Agreement or the last delivery of leases and Income Verification Forms submitted to the Trust Fund, and (ii) certificates of insurances evidencing the coverage required by Section 4 of the Mortgage.

2.42 The Owner shall immediately advise the Trust Fund in writing of: (i) any notices received by the Owner from any federal, state or local governmental agency or regional office thereof of the violation or potential violation or of any inquiry regarding any such potential violation by the Owner of any applicable Environmental Laws; (ii) any and all enforcement, clean-up, removal, remedial or other governmental or regulatory actions instituted, completed or threatened pursuant to any Environmental Laws; (iii) all Claims made or threatened by any third party against the Owner or the Project relating to any Losses resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter collectively referred to as "Hazardous Materials Claims"); and (iv) the Owner's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Project that could cause the Project or any part thereof to be subject to any Hazardous Materials Claims.

2.43 The Owner shall cause the Project to meet all program energy efficiency standards and policies, as applicable.

2.44 No payment, gratuity or offer of employment shall be made in connection with the Grant, the subsequent contributions thereof or the provision of LTOS Funds, by or on behalf of a service provider to the housing provider or higher tier grantee or any person associated therewith, as an inducement for the award of service provider contract or order.

2.45 The Owner, if required to be licensed or certified under any applicable statute, ordinance, rule or regulation, shall provide personnel who are likewise so licensed or certified. The Owner, if exempt from licensure or certification under any applicable statute, ordinance, rule or regulation, shall provide personnel who are otherwise competent and qualified to perform under this Agreement. The Owner shall retain and make available to the City and State agencies governing the use of LTOS Funds all proof and verification of licensure, certification or expertise including, but not limited to, resumes, and job descriptions upon request.

2.46 The Owner shall not, nor shall any Affiliate thereof be, listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this Section 2, "Affiliate," when used to indicate a relationship with a specified

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person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise

2.47 (a) All warranties and representations of the Owner contained in this Regulatory Agreement and all of the other Grant Documents are true, accurate and complete in all material respects at the time of the Owner's execution hereof and thereof, and shall be true, accurate and complete in all material respects at the time of each Disbursement, and shall survive the execution, delivery and acceptance hereof by the parties hereto for as long as the Grant is outstanding;

(b) the Owner is a limited partnership duly organized and validly existing under the laws of the State of Illinois;

(c) the Owner has the right, power and authority to enter into, execute, deliver and perform this Regulatory Agreement and all of the other Grant Documents to which the Owner is a party;

(d) the execution, delivery and performance by the Owner of this Regulatory Agreement and all of the other Grant Documents to which the Owner is a party been duly authorized by all necessary action of the Owner and will not violate any provision of law (including any order, writ, injunction or decree binding upon the Owner or the Premises) or the Owner's Partnership Agreement or result in the breach of or constitute a default under or require any consent under, or result in the creation of any lien, charge or encumbrance (except for any lien, charge or encumbrance created by the Grant Documents) upon the Premises or any other property or assets of the Owner under any agreement, instrument, restriction or document to which the Owner is now or hereafter a party or by which the Owner or the Premises are or may become bound or affected;

(e) the Owner has good, indefeasible and merchantable title to the Premises and all beneficial interest therein free and clear of all liens, charges and encumbrances except Permitted Encumbrances (as such term is defined in the Grant Agreement);

(f) the Owner is now solvent and able to pay its debts as they mature;

(g) there are no actions or proceedings by or before any court or governmental commission, board, bureau or other administrative agency pending or, to the best of the Owner's knowledge after due inquiry, threatened, against or affecting the Owner which if adversely determined could materially and adversely affect the Owner's ability to perform under the Senior Loan Documents or the Grant Documents to which the Owner is a party or which might result in any material, adverse change to the Owner's financial condition or may materially affect the Premises or the Owner's other property or assets;

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(h) the Owner has obtained and has been and is in substantial compliance with, as applicable, any and all governmental notices, permits, certificates and consents (including, without limitation, all environmental permits and other authorizations) necessary to carry out and complete the Project;

(i) the Owner is not in default with respect to any indenture, loan agreement, mortgage, deed or other agreement or instrument relating to the borrowing of monies to which it is a party or by which it may be bound;

(j) to the extent the Owner had any previous financial activity for which Financial Statements were prepared, the Financial Statements (as such term is defined in the Grant Agreement) are complete and correct and fairly represent Hispanic Housing's and the Owner's respective financial conditions;

(k) there has been no material adverse change in the financial condition of Hispanic Housing or the Owner since the date of the Financial Statements;

(l) no current member, official or employee or former member, official or employee of the City or the Trust Fund has any personal interest, direct or indirect, in the Owner's business;

(m) the statements, information, descriptions, estimates and assumptions contained in the Plans and Specifications, the Construction Schedule and the Project Budget (as such terms are defined in the Grant Agreement) are based upon the best information available to the Owner, do not contain any untrue statement or misleading statement of a material fact, and do not omit to state a material fact required to be stated therein or necessary to make the statements, information, descriptions, estimates and assumptions contained therein, in the light of the circumstances under which they were made, not misleading;

(n) except as disclosed in any report provided to the Trust Fund or described in the Grant Agreement and except for Hazardous Materials which may be used in the normal course of activities in residential facilities (other than asbestos-containing materials, any lead-based paint, or any chemicals contained in any above-ground or underground storage tanks, if any, on the Premises) neither the Owner, Hispanic Housing nor, to the best of the Owner's knowledge after due inquiry, any other person or entity has ever caused or permitted at any time or for any duration any Hazardous Materials to be generated, manufactured, handled, treated, stored, used, recycled, refined, processed, placed, held, located or disposed of, on, under or at or transported to or released from (i) the Premises or any part thereof or (ii) any other real property in which the Owner has any estate or interest whatsoever (including, without limitation, any property owned by a land trust, the beneficial interest in which is owned, in whole or in part, by the Owner), and neither the Premises nor the property described in (ii) above has ever been used by the Owner or, to the best of the Owner's knowledge after due inquiry, any other person or entity as a temporary or permanent dump or storage site for any Hazardous Materials;

(o) except as disclosed in any report provided to the Trust Fund or described in the Grant Agreement and except for Hazardous Materials which may be used in the normal course of activities in residential facilities (other than asbestos-containing materials, any lead-

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based paint, or any chemicals contained in any above-ground or underground storage tanks, if any, on the Premises) to the best of the Owner's knowledge all Hazardous Materials generated, manufactured, stored, treated, used, recycled, processed, refined, placed, held, handled, located or disposed of, on, under or at or transported to or released from the Premises have been handled, treated, stored and disposed of in a lawful manner and in compliance with any and all Environmental Laws (other than, if applicable, asbestos-containing materials and lead-based paint, all of which will be remediated in compliance with applicable laws upon rehabilitation of the Premises);

(p) except as disclosed in any report provided to the Trust Fund or described in the Grant Agreement and except for Hazardous Materials which may be used in the normal course of activities in residential facilities (other than asbestos-containing materials, any lead-based paint, or any chemicals contained in any above-ground or underground storage tanks, if any, on the Premises) to the best of the Owner's knowledge no environmental or public health or safety hazards currently exist with respect to the Premises, the use thereof or the business or operations conducted thereon except as to the possible effects of the Existing Materials (as such term is defined in the Grant Agreement) and no underground storage tanks (including, but not limited to, petroleum and hazardous substance storage tanks) are present on or under the Premises except as has been disclosed in the Grant Agreement;

(q) except as disclosed in any report provided to the Trust Fund or described in the Grant Agreement and except for Hazardous Materials which may be used in the normal course of activities in residential facilities (other than asbestos-containing materials, any lead-based paint, or any chemicals contained in any above-ground or underground storage tanks, if any, on the Premises) to the best of the Owner's knowledge there have been and are no past, and there are no pending or, to the best of the Owner's knowledge after due inquiry, threatened Claims by any governmental agency or other entity relating to environmental contamination of the Premises or failure to comply with any and all Environmental Laws, including but not limited to (i) Claims regarding public health risks or the environmental contamination of the Premises; (ii) Claims regarding the disposal or presence of Hazardous Materials on the Premises except in connection with the Existing Materials; (iii) Claims regarding compliance with Environmental Laws at the Premises (other than, if applicable, building code violations and the Existing Materials to be corrected upon construction of the Premises); or (iv) Claims that could impair the value of the Premises or the priority of the Trust Fund's mortgage lien (other than, if applicable, building code violations and the Existing Materials to be corrected upon construction of the Premises);

(r) except as disclosed in any report provided to the Trust Fund or described in the Grant Agreement and except for Hazardous Materials which may be used in the normal course of activities in residential facilities (other than asbestos-containing materials, any lead-based paint, or any chemicals contained in any above-ground or underground storage tanks, if any, on the Premises) to the best of the Owner's knowledge except for the Existing Materials, the Premises (including underlying groundwater and areas leased to tenants, if any) and the Project have been and are in compliance with all applicable federal, state and local laws, statutes, rules, regulations, executive orders, ordinances, codes, decrees and judgments, including any and all Environmental Laws, pertaining to or affecting the Premises or the Project and the use thereof and the conduct of any business or operations thereon;

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(s) Intentionally omitted;

(t) the Mortgage is subordinate only to those Permitted Encumbrances described in clauses (i), (ii), (iv) and (v) (other than the Subordinate Mortgages) of the definition of such term in the Grant Agreement;

(u) the Owner has sufficient funds on hand or irrevocably available to it to complete the Project and meet its obligations under the Grant Documents; and

(v) the Owner shall not commence construction and/or rehabilitation of the Project prior to obtaining all necessary building permits necessary to carry out and complete the Project.

SECTION 3. AGREEMENT TO PROVIDE GRANT

The Trust Fund agrees to provide the Grant to Hispanic Housing in accordance with the terms and conditions of the Grant Agreement, for the purposes described on Exhibit B hereto.

SECTION 4. RELIANCE

The Trust Fund and the Owner hereby recognize and agree that the representations and covenants set forth herein made by the Trust Fund and the Owner, respectively, may be relied upon by the Trust Fund and the Owner, respectively. In performing its duties and obligations hereunder, the Trust Fund may rely upon statements and certificates of the Owner, Extremely Low-Income Households and Severely Low-Income Households, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Trust Fund may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the Trust Fund was in good faith and in conformity with such opinion; provided, that the Owner shall not be bound by or be deemed to have approved such opinion. The Trust Fund and the Owner agree that it is the Owner's responsibility to determine that each potential tenant in the Project qualifies as a Severely Low-Income Household or Extremely Low-Income Household, as applicable, and that in making each such determination, the Owner shall exercise due diligence.

SECTION 5. SALE OR TRANSFER OF THE PROJECT

Except for the Permitted Encumbrances, the Owner 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) so as to violate Section 8 of the Mortgage, 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 Trust Fund; provided, however, that after written confirmation from the Trust Fund of the occurrence of either (i) the forgiveness in full or repayment of the Grant and all amounts owed to the Trust Fund under the Grant Agreement or (ii) the end of thirty (30) years from the date hereof, such permission by the Trust Fund shall not be required. The Owner 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

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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 Owner or any successor or assignee of the Owner last permitted by the Trust Fund, and shall be ineffective to relieve the Owner 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 2.17, 2.18, 6.2 and 15 hereof, this Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and understood that the provisions hereof are intended to survive throughout the Project Term.

6.2 (a) Subject to the terms of Section 6.2(b) hereof, the terms and provisions of this Regulatory Agreement shall be suspended upon a transfer of the Project (i) pursuant to the foreclosure of the Senior Mortgages (or, if the Trust Fund so elects, of the Mortgage), or (ii) by an instrument in lieu of foreclosure of the Senior Mortgages (or, if the Trust Fund so elects, of the Mortgage); but only if such transfer (1) recognizes 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) is not for the purpose of avoiding low-income affordability restrictions pertaining to the Project, as determined by the Trust Fund. Such a transfer of the Project is hereinafter referred to as a "Transfer".

(b) If at any time following the occurrence of a Transfer, the Owner or any Associated Person obtains an ownership interest in the Project, the terms and provisions of this Regulatory Agreement shall no longer be suspended.

(c) Subject to Section 6.2(b), the terms and conditions of this Regulatory Agreement shall cease and terminate upon a transfer (i) pursuant to the foreclosure of the Senior Mortgages or the Subordinate Mortgages (or, if the Trust Fund so elects, of the Mortgage), or (ii) by an instrument in lieu of foreclosure of the Senior Mortgages or the Subordinate Mortgages (or, if the Trust Fund so elects, of the Mortgage). If any such transfer enumerated in subsections (i) or (ii) hereof shall occur, the terms and conditions of this Regulatory Agreement shall automatically terminate as of the date of such transfer.

SECTION 7. ENFORCEMENT

7.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of thirty (30) days after notice thereof from the Trust Fund to the Owner (provided, however, that if any such occurrence or attempt cannot reasonably be cured within said 30-day period and if Owner 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 sixty (60) days upon written request from Owner to the Trust Fund delivered during such 30-day period, and upon further written request from Owner to the Trust Fund delivered during such 60-day period, said 60-day period shall be extended to ninety (90) days); provided, however, that the Trust Fund shall not be precluded during any such periods from exercising any remedies hereunder if the Trust Fund shall receive a request or notice from the City or IHDA to do so or if

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the Trust Fund shall determine that the continuation of such uncorrected occurrence or attempt shall result in any liability by the Trust Fund to the City or IHDA), the Trust Fund and its agents, successors and assigns, without regard to whether the Trust Fund or its agents, successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Owner of its obligations hereunder, or may declare an event of default under the Grant 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 Intentionally omitted.

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

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

SECTION 8. RECORDING AND FILING

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

SECTION 9. COVENANTS TO RUN WITH THE LAND

The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Trust Fund and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Owner's successors in title to the Project throughout the Project Term, subject to Section 6.2 hereof. The Owner 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

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covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. After the end of the Project Term or, in the event that the covenants, reservations and restrictions hereof terminate pursuant to the provisions of Section 6.2(c) hereof, on or after the applicable date of termination described in Section 6.2(c) hereof, the Trust Fund, upon such termination and upon a written request from the Owner or the Senior Lenders, shall execute and consent to the recording of a release of this Regulatory Agreement, at the expense of the party requesting such release.

SECTION 10. GOVERNING LAW

This Regulatory Agreement shall be construed in accordance with and governed by the 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 RHSP Act, the requirements of the RHSP Act 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 Owner hereby expressly agrees to enter into all amendments hereto which, in the opinion of the Trust Fund, are reasonably necessary for maintaining compliance under the RHSP Act.

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 facsimile or electronic mail; (c) nationally recognized overnight courier; or (d) registered or certified mail, return receipt requested.

IF TO TRUST FUND:

Chicago Low-Income Housing Trust Fund
 c/o Chicago Department of Housing and Economic
 Development
 121 N. LaSalle Street, Room 1006
 Chicago, Illinois 60602
 Attention: Cary Steinbuck, Executive Director
 Facsimile: (312) 742-8549
 Email: cary.steinbuck@cityofchicago.org

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WITH COPIES TO:

Neal, Gerber & Eisenberg LLP
 2 North LaSalle Street, Suite 1700
 Chicago, Illinois 60602
 Attention: Anne E. Koday & Thomas J. McNulty
 Facsimile: (312) 980-0812
 Email: akoday@ngelaw.com

IF TO OWNER:

As specified on Exhibit B hereto.

IF TO HISPANIC HOUSING:

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

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. RIGHT TO INSPECT

Subject to Section 6.2 hereof and upon thirty (30) days' prior notice to the Owner, the Owner shall permit, and shall cause any management agent for the Project to permit, the Trust Fund, the City and/or IHDA to inspect the Overall Project (as defined in Exhibit E attached hereto) at all reasonable times and upon reasonable notice and access thereto shall be permitted for that purpose. At any time during normal business hours and upon reasonable notice and as often as the Trust Fund, the City and/or IHDA may deem necessary, the Owner shall make available to the Trust Fund, the City and/or IHDA all of its records with respect to matters covered by this Regulatory Agreement. The Owner shall permit, and shall cause any management agent for the Overall Project to permit, the Trust Fund, the City and/or IHDA to audit, examine and make excerpts or transcripts from such records, and to make copies of records relating to personnel, conditions of employment and other data covered by this Regulatory Agreement. This Section 15 shall survive up to and until the expiration of the Inspection Period.

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SECTION 16. NO THIRD PARTY BENEFITS

This Regulatory Agreement is made for the sole benefit of the Trust Fund and the Owner and their respective successors and assigns and, except as 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 Trust Fund elects to employ any or all of the rights, powers or remedies available to it hereunder, the Trust Fund shall not have any obligation or liability of any kind to any third party by reason of this Regulatory Agreement or any of the Trust Fund's actions or omissions pursuant hereto or otherwise in connection herewith.

SECTION 17. REFERENCES TO STATUTES, ETC.

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

SECTION 18. INDEMNIFICATION

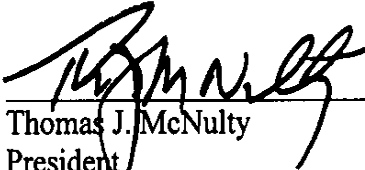
The Owner shall indemnify, defend and hold harmless the City, the Trust Fund and the officers, employees and agents of both the City and the Trust Fund of, from and against any and all Losses incurred by any such party in any claim brought by reason of any such Loss, excluding, however, with respect only to the City, any Loss arising out of the gross negligence or willful misconduct of the City, and further excluding, with respect only to the Trust Fund, any Loss arising out of the gross negligence or willful misconduct of the Trust Fund or following the Trust Fund's acquisition of title to or control of the Premises, unless such particular act by either the City or the Trust Fund is taken in response to (1) any willful misconduct or negligent act or omission of the Owner or (2) any breach by the Owner of any provisions of the instruments executed by the Owner in connection with the Grant. In the event that any claim is brought against the City, the Trust Fund or any of the officers, employees or agents of the City or the Trust Fund by reason of any such Loss, the Owner, upon notice from the City or the Trust Fund, covenants to resist and defend such claim on behalf of the City, the Trust Fund and the officers, employees and agents of the City and the Trust Fund. The City and the Trust Fund shall have the right to employ separate counsel in any such Claim and to participate in the defense thereof. The fees and expenses of such counsel reasonably incurred shall be at the expense of the Owner without regard to any authorization of such employment by the Owner.

[Signature Page Follows]

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

CHICAGO LOW-INCOME HOUSING TRUST FUND, an Illinois not-for-profit corporation

By: 
Name: Thomas J. McNulty
Title: President

NORTH & TALMAN III LIMITED PARTNERSHIP, an Illinois limited partnership

By: North and Talman III Corporation, an Illinois corporation, its General Partner

By: _____
Name: Hipolito Roldan
Title: President

Property of Cook County Clerk's Office

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

**CHICAGO LOW-INCOME HOUSING TRUST
FUND, an Illinois not-for-profit corporation**

By: _____
Name: Thomas J. McNulty
Title: President

**NORTH & TALMAN III LIMITED
PARTNERSHIP, an Illinois limited partnership**

By: North and Talman III Corporation, an
Illinois corporation, its General Partner

By: *[Signature]*
Name: Hipolito Roldan
Title: President

Property of Cook County Clerk's Office

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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 Thomas J. McNulty, personally known to me to be the President of the Chicago Low-Income Housing Trust Fund, an Illinois not-for-profit corporation (the "Trust Fund"), 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 President, he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act of the Trust Fund for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20th day of Dec., 2011.

Teresa D. Kirby
Notary Public

(SEAL)



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STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Hipolito Roldan, personally known to me to be the President of North and Talman III Corporation, an Illinois corporation, the general partner of North & Talman III Limited Partnership, an Illinois limited partnership (the "Owner"), and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President, he signed and delivered the said instrument pursuant to authority duly given by the partners of the Owner, and as his free and voluntary act and deed and as the free and voluntary act and deed of the Owner for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 22nd day of December, 2011.

Sherry Sickles

 Notary Public

(SEAL)



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1A:

LOTS 27 AND 28, (EXCEPT THE NORTH 8 FEET OF EACH OF SAID LOTS TAKEN OR USED FOR ALLEY) IN CHARLES PROEBSTING'S SUBDIVISION OF LOTS 4, 5, 6 AND THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 OF J. BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 1B:

THE SOUTH 21.00 FEET OF LOT 9 IN C. BOETTCHER'S SUBDIVISION OF LOTS 8 AND 10 AND THAT PART NORTH OF THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 1C:

THE SOUTH 18.50 FEET OF LOT 8 (EXCEPT THE EAST 104.00 FEET THEREOF) IN C. BOETTCHER'S SUBDIVISION OF LOTS 8 AND 10 AND THAT PART NORTH OF THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 9 AND 10 (EXCEPT THE SOUTH 21.00 FEET OF SAID LOT 9) IN C. BOETTCHER'S SUBDIVISION OF LOTS 8 AND 10 AND THAT PART NORTH OF THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 6 AND THE NORTH 3.27 FEET OF LOT 7 IN C. BOETTCHER'S SUBDIVISION OF LOTS 8 AND 10 AND THAT PART NORTH OF THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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PARCEL 4:

LOT 7 (EXCEPT THE NORTH 3.27 FEET THEREOF) AND LOT 8 (EXCEPT THE SOUTH 18.50 FEET THEREOF) IN C. BOETTCHER'S SUBDIVISION OF LOTS 8 AND 10 AND THAT PART NORTH OF THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS:

13-36-427-014-0000

13-36-427-020-0000

13-26-427-031-0000

13-36-427-032-0000

13-36-427-040-0000 (part of)

Commonly known as 2656 West North Avenue, 1617-19 North Washtenaw Avenue and 1618-20 North Talman Avenue, Chicago, Illinois

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EXHIBIT B

I. ADDITIONAL DEFINITIONS

“Bridge Lender” shall mean Local Initiatives Support Corporation and its successors and assigns.

“Bridge Loan” shall mean the loan by the Bridge Lender to HHDC LLC in the principal amount of \$2,058,496, the proceeds of which HHDC LLC will loan to the Owner along with \$300,000 of tax increment allocation financing provided by the City to HHDC LLC.

“Credit Unit” shall mean a unit in the Overall Project with respect to which the Owner has received from IHDA and/or the City an allocation of low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986.

“Grant” shall mean a grant by the Trust Fund to Hispanic Housing in the amount of \$327,653.00 for financing a portion of the costs of the construction and/or development of the Project.

“Overall Project” shall mean the buildings to be located at 2656-58 West North Avenue, 1618-20 North Talman Avenue, and 1619 North Washtenaw Avenue, Chicago, Illinois which include the Project.

“Senior Lender” shall mean Bank of America, N.A. and its successors and assigns.

“Senior Loans” shall mean, initially, the construction loan by the Senior Lender to the Owner in the principal amount of \$7,251,640, and following repayment thereof, the permanent loan by the Senior Lender to the Owner in the principal amount of \$410,000, each for financing a portion of the costs of the Project.

“Senior Mortgages” shall mean, collectively, those certain mortgages and additional security documents from the Owner to the Senior Lender that secure the present and forthcoming Senior Loans.

“Subordinate Lender” shall mean collectively Hispanic Housing and HHDC LLC.

“Subordinate Loans” shall mean, collectively, the seller financing loan from the Subordinate Lender to the Owner in the amount of \$305,307, the sponsor loan from the Subordinate Lender to the Owner in the amount of \$139,755, and the TIF loan from the Subordinate Lender to the Owner in the amount of \$2,358,496.

“Subordinate Mortgages” shall mean, collectively, those certain mortgages and additional security documents from the Owner to the Subordinate Lender that secure the Subordinate Loans.

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II. ADDITIONAL REPRESENTATIONS AND COVENANTS OF OWNER.

1. (a) The Extremely Low-Income Project shall consist initially of the following unit configuration for Extremely Low-Income Households with the following initial rents:

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Tenant's Share of Rent</u>	<u>Monthly Trust Fund Benefit Per Unit</u>
2	1	\$356 per month	\$744 per month
3	1	\$415 per month	\$835 per month

(b) The Severely Low-Income Project shall consist initially of the following unit configuration for Severely Low-Income Households and shall have the following initial rents:

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Tenant's Share of Rent</u>	<u>Monthly Trust Fund Benefit Per Unit</u>
1	2	\$168 per month	\$662 per month

Subject to Hispanic Housing and the Owner's full compliance with all terms and conditions of the Grant Documents to the Trust Fund's satisfaction, Hispanic Housing shall be deemed to have earned the Monthly Trust Fund Benefit Per Unit set forth in the tables above, as may be amended and adjusted from time to time, for each unit in the Project actually occupied by Extremely Low-Income and Severely Low-Income Households, as applicable. Such amounts shall be deemed "earned", if at all, on a monthly basis, and upon approval of the same by the Trust Fund, such earned amounts shall be forgiven from the balance of the Grant and deemed unrecoverable by the Trust Fund in accordance with the terms of the Grant Agreement.

2. The Owner expects to generate low-income housing tax credits in the approximate amount of \$11,000,000 for the Overall Project pursuant to Section 42 of the Internal Revenue Code of 1986.

3. (a) If the income of a Severely Low-Income Household occupying a unit in the Project increases such that the Household no longer qualifies as a Severely Low-Income Household, but still qualifies as an Extremely Low-Income Household, the Owner (i) shall notify the Trust Fund, and (ii) with the approval of the Trust Fund, may increase such Household's rent, at which point the Monthly Trust Fund Benefit earned for that unit shall be proportionally decreased, so long as such increase in rent does not exceed the rates for other similar units in the Project and those rents specified in Section 2.6 of this Regulatory Agreement, as applicable, and provided such increase is in accordance with the RHSP Act and Regulations. If a Household transitions from a Severely Low-Income Household to an Extremely Low-Income Household so that there are more Extremely Low-Income Households than stated above in Section 1 of this Exhibit B, the next vacancy in the Project shall be filled by a Severely Low-Income Household.

(b) If the Annual Income of an Extremely Low-Income Household or Severely Low-Income Household, as the case may be, occupying a unit in the Project increases such that the

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Household no longer qualifies as an Extremely Low-Income Household or Severely Low-Income Household (an “**Over-Income Household**”), the Owner shall (i) notify the Trust Fund, and (ii) terminate the Monthly Trust Fund Benefit granted to such Household no later than twelve (12) months after the date of expiration of the Household’s lease in effect when the Annual Income of the Household disqualified the Household as an Extremely Low-Income Household or Severely Low-Income Household. The Transitional Contribution during this period shall be governed by the RHSP and Regulations, 47 Ill. Admin. Code 380.308 & 380.610, and the Monthly Trust Fund Benefit earned shall be proportionally decreased. If and/or when the Monthly Trust Fund Benefit to an Over-Income Household has been terminated, the Owner shall, as directed by the Trust Fund, reallocate the Monthly Trust Fund Benefit to another unit in the Overall Project, which shall then be designated as a part of the Project and subject to this Regulatory Agreement.

4. Unless required to pay federal Davis-Bacon wages pursuant to the terms of another source of financing for the Project or a project-based rental subsidy received by the Owner for the Project, every contract for the construction and/or rehabilitation of the Project shall contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the State of Illinois Department of Labor pursuant to the Illinois Prevailing Wage Act, 820 ILCS 103/0.01, et seq. to all laborers, workers and mechanics employed in the construction and/or rehabilitation of the Project. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of laborer, worker or mechanic employed pursuant to such contract. If the State of Illinois Department of Labor revises such prevailing wage rates, the revised rates shall apply to all such contracts.

5. The Overall Project shall be constructed and/or developed, as applicable, in accordance with the Construction Schedule, the Project Budget and any Change Order (as such term is defined in the Grant Agreement) hereafter approved by the Trust Fund. The Owner agrees to start construction and/or development, as applicable, on the Overall Project within twelve (12) months from the date hereof.

6. For purposes of Section 12 of this Regulatory Agreement, notices shall be sent to the following addresses:

IF TO OWNER:

North & Talman III Limited Partnership
 c/o Applegate & Thorne-Thomsen
 626 West Jackson, Blvd., Suite 400
 Chicago, Illinois 60661
 Attention: Bill Skalitzky
 Facsimile: (312) 491-4411
 Email: wskalitzky@att-law.com

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WITH COPIES TO: Applegate & Thorne-Thomsen, P.C.
626 West Jackson Boulevard, Suite 400
Chicago, Illinois 60661
Attention: Bill Skalitzky
Facsimile: (312) 491-4411
Email: wskalitzky@att-law.com

IF TO HISPANIC HOUSING: Hispanic Housing Development Corporation
325 North Wells Street, 8th Floor
Chicago, Illinois 60654
Attention: Mark Kruse
Facsimile: (312) 602-6530
Email: mkruse@hhdcdev.org

IF TO OWNER'S LIMITED PARTNER: Bank of America, N.A.
Mail Code: WA1-501-37-67
Fifth Avenue Plaza, Floor 37
800 Fifth Avenue
Seattle, Washington 98104-3176
Attention: Todd McCain, Vice President
Facsimile: (206) 585-8404

WITH COPIES TO: Bank of America CDC Special Holding
Company, Inc.
c/o Bank of America Merrill Lynch
Tax Credit Equity Investment Asset Management
NC1-007-11-25
100 North Tryon Street
Charlotte, North Carolina 28202
Attention: Nichole Baldon, Vice President
Facsimile: (980) 386-6662

IF TO SENIOR LENDER: Bank of America, N.A.
7800 Forsyth Blvd.
Suite 350
Clayton, Missouri 63105
Mail Code: MO1-076-03-06
Attention: Loan Administration Manager
Facsimile: (214) 290-9612

IF TO BRIDGE LENDER: Local Initiatives Support Corporation
501 Seventh Avenue, 7th Floor
New York, New York 10018
Attention: Patrick Maher, Vice President, Deputy,
& General Counsel

UNOFFICIAL COPY

Facsimile: (212) 682-8608

Email: pmaher@lisc.org

WITH COPIES TO:

Local Initiatives Support Corporation

135 South LaSalle Street, Suite 2230

Chicago, Illinois 60603

Facsimile: (312) 422-0802

Email: bbeck@lisc.org

7. Neither the Owner nor any partner of the Owner nor any officer, director or owner of the general partner of the Owner:

- (a) is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- (b) has within a three-year period preceding the date hereof been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction, including, without limitation, any violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- (c) is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (b) above;
- (d) has within a three-year period preceding the date hereof had one or more public transactions (federal, state or local) terminated for cause or default;
- (e) has been barred from contracting with any unit of state or local government as a result of a violation of 720 ILCS 5/33E-3 or 720 ILCS 5/33E-4;
- (f) is in default on an educational loan as provided in 5 ILCS 385/1;
- (g) has within the last three years (i) been convicted of bribery or attempting to bribe a public officer or employee of the Trust Fund, the City, the State or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity; or (ii) been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price, or otherwise; or (iii) made an admission of guilt of such conduct described in (i) or (ii) above which is a matter of record, but has not been prosecuted for such conduct; or

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- (h) has made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Grant Agreement as an inducement for the Trust Fund to enter into the Grant Agreement with Hispanic Housing.

Property of Cook County Clerk's Office

COOK COUNTY
REGISTER OF DEEDS
SCANNED BY _____

COOK COUNTY
REGISTER OF DEEDS
SCANNED BY _____

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EXHIBIT C

RENTAL ASSISTANCE RIDER

1. **Description of Program.** The rent for the apartment which you are going to lease is being financed in part by a grant made by the Chicago Low-Income Housing Trust Fund (the "Trust Fund") as the local administering agent of the City of Chicago pursuant to the Illinois Housing Development Authority's Rental Housing Support Program / Long Term Operating Subsidy ("LTOS") Program and/or other programs administered by the Trust Fund from time to time (as applicable, the "Program"). The Program provides grants to landlords in order to provide affordable housing to individuals and families meeting certain income criteria.

2. **Tenant Requirements.** As a tenant residing in a unit that is a part of this Program, you are required to:
 - (a) Complete and deliver to your landlord the attached Tenant Income Verification Form at the time you sign the lease for your unit and at least annually thereafter so long as you remain a tenant in the apartment.
 - (b) Inform the landlord of all income changes, tenant or family size changes or any other changes to the information provided in the Tenant Income Verification Form.

3. **Tenant Contribution Amount.** Based on your current income and the applicable guidelines for this program, the current Tenant Contribution amount that you will be required to pay your landlord during the term of your lease is \$ _____.

Please be advised that (i) increases in your annual income may result in an increase in the Tenant Contribution amount; (ii) decreases in your annual income will not result in a decrease in the Tenant Contribution amount; and (iii) the Program is landlord specific and is not transferable to any other landlords or units in the event you move.

Tenant Signature: _____

Tenant Name: _____

Unit Number: _____

Date Signed: _____

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EXHIBIT D

(SEE ATTACHED)

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

Property of Cook County Clerk's Office

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MAUI Exhibit D-1	Chicago Low-Income Housing Trust Fund Mult-year Affordability through Upfront Investment Tenant Income Verification Form
For Trust Fund Office Use Only:	
Received Date:	
Reviewed Date:	
Approved Date:	
Funding Source:	
AgreementLocator:	
TF Project:	

Please Print or Type Information.

PART I. LEASE HOLDER AND BUILDING INFORMATION

Name of Leaseholder / Tenant: _____ Unit # _____

Unit Address: _____ Cook County

Chicago, IL ZIP: 606 _____

Move-in date: _____

Type of verification for tenant / leaseholder:
 Check One: Initial Verification Recertification

PART II. HOUSEHOLD MEMBER INFORMATION

List all occupants of the unit starting with the Head of Household (HH) and self identify the demographic information* from the groupings.

Mbr #	First name	Last name	Year Born	Sex	Race	Ethnicity	Veteran	Disabled
1-HH				F / M				
2				F / M				
3				F / M				
3				F / M				
5				F / M				
6				F / M				
7				F / M				
8				F / M				
9				F / M				
10				F / M				
11				F / M				
12				F / M				

Race: 1-White
 2-Black or African American,
 3-American Indian or Alaskan Native
 4-Asian
 5-Pacific Island or Native Hawaiian

Ethnicity: 1-Hispanic or Latino
 2-Non-hispanic or Latino

Trust Fund Initiatives
 Agency Partner Complete:
 1-Homeless -- Program:
 2-Second Chance
 3-Eleanor Foundation
 4-Other:

*Please Note: Demographic information is for data collection purposes only. Demographic information will not be used to determine eligibility or acceptability. All individual information is confidential.

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MAUI Exhibit D-2

* Identify the type of assets (i.e. checking/savings account, stocks, bonds, etc.)

Total annual household income from all sources:
\$

Allowable Income Limits		
Household Size	Extremely Low 0-15% AMI	Very Low 16-30% AMI
1 person	\$7,890	\$15,800
2 people	\$9,015	\$18,050
3 people	\$10,140	\$20,300
4 people	\$11,265	\$22,550
5 people	\$12,180	\$24,400
6 people	\$13,080	\$26,200
7 people	\$13,980	\$28,000
8 people	\$14,880	\$29,800

Income limits are based on the Chicago-Naperville-Joliet, IL HUD Metro Area (HM FA as adjusted by HUD). Effective until superseded. P published April 17, 2010

PART III. HOUSEHOLD GROSS ANNUAL INCOME AND ASSETS

Annual Gross Household Sources of Income

Mbr #	Job(s)	Public Aid	SSI	Child Support	Alimony	Income from Assets
1-HH						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
Totals	\$	\$	\$	\$	\$	\$

PART IV. DETERMINATION OF HOUSEHOLD ELIGIBILITY AND TENANT ASSISTANCE

Please Check Only One.

1. Does the household meet the income allowable limits? YES NO
(see chart for income limits. If no, go to question # 4 and complete Part V.)

2. Does the household size utilize the unit size / type? YES NO

3 The household qualifies for which income limit?
 Extremely Low Income 0 -15% AMI
 Very Low Income 16-30% AMI

4. Does the household match the approved unit income limits? YES NO

5. Landlord approved rent: _____ A
 Approved Tenant portion of rent: _____
 Trust Fund Rental Assistance: _____ (subtract approved rent from tenant portion)

PART V. DETERMINATION OF TRANSITIONAL RENTAL ASSISTANCE

Complete this section only if the tenant exceeds the allow able income limits (see chart above to the right). Over income tenants must transition into a non-subsidized unit. The transitional rental assistance term / period will be determined by the Trust Fund Board, but will not exceed 12 months. The transitional assistance, if approved, will not exceed half of the original rental assistance. Complete the calculation to the right for the new tenant portion.

Transitional Rental Assistance Calculation	
	A
1. Landlord approved rent:	\$
2. Trust Fund Rental Assistance:	\$
3. Divide B by 2	\$
4. New Tenant Portion: Subtract C from A:	\$

PART VI. CERTIFICATION BY ALL PARTIES

I hereby certify that this information is true and correct to the best of my knowledge.

Signature of Head of Household and Date
Signature of Preparer and Date
Signature of Property Owner / Manager and Date

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EXHIBIT E

ANNUAL REPORT OF PROJECT RECEIVING LONG TERM OPERATING SUPPORT FUNDS FROM THE CHICAGO LOW-INCOME HOUSING TRUST FUND

Owner: **NORTH & TALMAN III LIMITED PARTNERSHIP**, an Illinois limited partnership

Project Name: North Avenue Phase III

Project Number: _____

Owner Federal Employer Identification Number: _____

The Chicago Low-Income Housing Trust Fund (the "**Trust Fund**") has entered into a Grant Agreement with Hispanic Housing Development Corporation ("**Hispanic Housing**"), and Hispanic Housing has, through its affiliates, made a capital contribution of the proceeds of such grant to North & Talman III Limited Partnership (the "**Owner**"). Hispanic Housing and the Owner are required to maintain certain records concerning the Project, and the Trust Fund is required to monitor the Project's compliance with the agreements executed by the Trust Fund, Hispanic Housing and/or the Owner in connection with the grant of the Long Term Operating Support ("**LTOS**") Funds. The Owner further agreed, in the Regulatory Agreement dated as of December __, 2011 between the Trust Fund and the Owner (the "**Regulatory Agreement**"), to maintain certain records and prepare and deliver certain reports to the Trust Fund. The Owner must complete this Annual Report for all projects receiving LTOS Funds (the "**Annual Report**") in fulfillment of its reporting and record-keeping requirements. This Annual Report must be completed in its entirety and must be executed, notarized and returned to the Trust Fund by April 1 of each year. In addition, a copy of Schedule I must be completed for each building which comprises a part of the Project. This form is a required component of the Annual Report. No changes may be made to the language contained herein without the prior approval of the Trust Fund. Except as otherwise specifically indicated, capitalized terms contained herein shall have the meanings ascribed to them in the Regulatory Agreement.

INFORMATION

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

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Building Address

North Avenue Phase III
2656-58 West North Avenue
1619 North Washtenaw Avenue
1618-20 North Talman Avenue
Chicago, Illinois

2. Complete Schedule I for each building included in the Project.
3. Has any change occurred, either directly or indirectly, (a) in the identity of the Owner, (b) in the identity of any general partner(s), if any, of the Owner, (c) in the ownership of any interests in any general partner of the Owner or in any shareholder, trustee or beneficiary of the Owner, or (d) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Owner since the date of the execution of the Regulatory Agreement or the most recent Annual Report?
- Yes _____ No _____
- If Yes, provide all the appropriate documents.
4. Have the Owner'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 Owner's organizational documents.
5. The Owner hereby certifies to the Trust Fund that (a) the Project is in full compliance with all currently applicable provisions of the Regulatory Agreement and IHDA Regulations, (b) the Project shall continue to so comply with during the Project Term as required, and (c) no change shall occur in the Owner or general partner of the Owner without the prior written consent of the Trust Fund, except as may be permitted pursuant to Section 8 of the Mortgage.
6. Provide the Trust Fund 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.
7. Provide to the Trust Fund copies of each lease and each Income Verification Form executed in connection with the Project since the later of the execution of the Regulatory Agreement or the last Annual Report submitted to the Trust Fund. For each such unit in the Project, provide to the Trust Fund the data with respect to tenant characteristics as required by Section 2.19 of the Regulatory Agreement.

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8. Provide the Trust Fund with evidence of compliance with Section 2.27 of the Regulatory Agreement since the later of the execution of the Regulatory Agreement or the last Annual Report, including copies of the notices given to prospective tenants regarding lead-based paint with the signature of each tenant in the Project.

9. Did the Project cause the displacement of any People?

Yes _____ No _____

If Yes, provide evidence to the Trust Fund of compliance with Section 2.25 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 Trust Fund once.)

10. Provide to the Trust Fund evidence of compliance with the affirmative marketing requirements of Section 2.21 of the Regulatory Agreement.

REPRESENTATIONS AND WARRANTIES

The Owner hereby represents and warrants to the Trust Fund that each of the following statements is true and accurate:

- A. Low-Income Households. All of the units of the Severely Low-Income Project are occupied or available for occupancy by Severely Low-Income Households, subject to Section 3 of Exhibit B to the Regulatory Agreement, and all units of the Extremely Low-Income Project are occupied or available for occupancy by Extremely Low-Income Households.
- B. Compliance. The Project is in compliance with all of the currently applicable laws, regulations, requirements and the Regulatory Agreement. The Owner will take whatever action is required to ensure that the Project complies with all applicable laws, regulations, requirements and the Regulatory Agreement so long as required by the Regulatory Agreement.

The Owner 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 Trust Fund, the City or its representative. The Trust Fund, at its option, can periodically inspect the Overall Project, and all tenancy-related documents to determine continued compliance of the Overall Project with all applicable requirements.

- C. Litigation. No litigation or proceedings are pending or, to the Owner's knowledge, threatened, which may affect the interest of the Owner in the Project or the ability of the Owner to perform its obligations with respect thereto, except as disclosed on Exhibit _____ attached hereto and hereby made a part hereof.
- D. Contracts. The Owner has taken affirmative action to ensure that women- and minority-owned businesses have had the maximum opportunity to compete for and perform as

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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.

- E. Marketing; Nondiscriminatory Access. All units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, color, national origin, religion, creed, sex, age or handicap.
- F. Facilities. Each unit is and will remain suitable for occupancy, taking into account the health, safety and building codes of the City.
- G. Maintenance. Other than in connection with the construction and/or rehabilitation, as applicable, of the Project, the Owner has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any residential rental unit for any purpose other than rental housing. The Owner has used its best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of the Regulatory Agreement.
- H. Records. The Owner is in possession of all records which it is required to maintain pursuant to the terms of the IHDA Regulations and the Regulatory Agreement as well as any additional records which the City or the Trust Fund has determined to be necessary to the compliance and administration of the Project.

The Owner has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Regulatory Agreement and in any event the requirements of the Regulatory Agreement are paramount and controlling as to the rights and obligations therein set forth and supersede any other requirements in conflict therewith. The Owner shall continue to cooperate with the Trust Fund and furnish such documents, reports, exhibits or showings as are required by the IHDA Regulations and the Regulatory Agreement and the Trust Fund or the Trust Fund's counsel.

If the Owner is unable to make any representation or warranty set forth above, the Owner must immediately contact the Trust Fund and inform the Trust Fund of the reason that the Owner 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 Owner under the Grant Documents (as defined in the Regulatory Agreement).

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INDEMNIFICATION

The Owner hereby agrees to fully and unconditionally indemnify, defend and hold the Trust Fund and its officers, employees and agents (including the City) harmless from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, reasonable attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the Trust Fund or the City that may arise in any manner out of or in connection with actions or omissions which result from the Owner's responses or documents provided pursuant to the terms of this Annual Report, including breaches of the representations and warranties herein contained, other than those judgments, losses, liabilities, damages, costs and expenses arising out of the Trust Fund's or the City's gross negligence or willful misconduct or following the Trust Fund'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 Owner (as such term is defined in the Grant Agreement), or (2) any breach (other than failure to repay the Grant) by the Owner (as such term is defined in the Grant Agreement), of any provision of the instruments executed by the Owner (as such term is defined in the Grant Agreement), in connection with the Grant.

Based on the understanding that the Trust Fund and the City may rely upon the truth and accuracy of this Annual Report and the statements made by the undersigned, the undersigned hereby certifies to the Trust Fund and the City that each response, representation, warranty and document delivered by the Owner in connection herewith is true and accurate and will continue to be true and accurate.

Owner

Date

Subscribed and sworn to before me this
 ____ day of _____, ____ (SEAL)

Notary Public

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SCHEDULE I

(SEE ATTACHED)

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

Property of Cook County Clerk's Office

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Schedule I - Attachment 1

MAUI

MAUI Housing Provider Annual Reconciliation
Chicago Low-Income Housing Trust Fund
Multi-Year Affordability through Upfront Investment

A. Housing Provider:

Phone: _____

Email: _____

B. Address of Property

C. Leasing Agent Contact:

Name: _____

Phone: _____

Email: _____

D. MAUI Investment

\$ _____

Units: _____

E. Term of Reconciliation:

January 1 to December 31, 20__

F. Date of Regulatory Agreement:

G. Monthly Benefit to Tenants due to MAUI investment:

January	\$ -
February	\$ -
March	\$ -
April	\$ -
May	\$ -
June	\$ -
July	\$ -
August	\$ -
September	\$ -
October	\$ -
November	\$ -
December	\$ -
TOTAL Annual Benefit:	\$ -

H. I hereby certify that I am in full compliance with the Multi-year Affordability through Upfront Investment (MAUI) Long Term Operating Subsidy Agreement signed _____ and with all laws as of the date hereof.

Date Submitted: _____

Signed: _____

Printed Name: _____

Title: _____

For Trust Fund Office Use Only:

Received Date _____

Reviewed By: _____

FUNDING SOURCE: Multi-Year Affordability through Upfront Investment

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Schedule I

MAUI

Annual Report for Housing Providers -- MAUI Benefit

Chicago Low Income Housing Trust Fund
MULTI-YEAR AFFORDABILITY THROUGH UPFRONT INVESTMENT (MAUI)

Address of Property:

Tenant Name	Unit #	# Bdrms	Move In Date	Move Out Date	Market Rent *	Tenant Portion of Rent
-------------	--------	---------	--------------	---------------	---------------	------------------------

Rent Benefit Subsidized by MAUI Investment

	January	February	March	April	May	June	July	August	September	October	November	December	Total														
1													\$ -														
2													\$ -														
3													\$ -														
4													\$ -														
5													\$ -														
6													\$ -														
7													\$ -														
8													\$ -														
9													\$ -														
10													\$ -														
11													\$ -														
12													\$ -														
13													\$ -														
14													\$ -														
15													\$ -														
16													\$ -														
17													\$ -														
18													\$ -														
														TOTAL MAUI BENEFIT:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Rent cost prior to MAUI Subsidy consideration

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Schedule I

MAUI

Annual Reconciliation Report for Housing Providers -- Tenant List

Chicago Low Income Housing Trust Fund
MULTI-YEAR AFFORDABILITY THROUGH UPFRONT INVESTMENT (MAUI)

Address of Property:

\$

Tenant Name	Unit #	Family Size	Family Annual Income	Income 0-15% AMI	Income 16-30% AMI	Note Utilities Paid by Tenant	Note Utility costs reimbursed to Owner	Other Comments (Include explanation for tenants leaving the unit including eviction, over income, moved to other subsidized building, unit.)
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