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DECLARATION OF RESTRICTIVE COVENANTS AND REGULATORY AGREEMENT

By and Among

CITY OF CHICAGO, ILLINOIS
and
LASALLE NATIONAL BANK,
as Bond Trustee
and
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO
not personally, but as Trustee for Trust No. 114365-08
and
LAKEVIEW TOWERS PRESERVATION CORP.,
an Illinois not-for-profit corporation

DATED AS OF AUGUST 1, 1992

Relating to:

$13,440,000
CITY OF CHICAGO, ILLINOIS
MORTGAGE REVENUE BONDS
SERIES 1992
(FHA INSURED MORTGAGE LOAN -- LAKEVIEW TOWERS PROJECT)

Real Estate Tax Numbers:	14-17-221-009	14-17-221-026
	14-17-221-010	14-17-221-027
	14-17-221-011	14-17-221-028
	14-17-221-012	14-17-221-029
	14-17-221-025	14-17-221-032

Address of Project: 4550 North Clarendon
Chicago, Illinois

PREPARED BY AND AFTER RECORDING RETURN TO:

Bruce P. Weisenthal
Schiff Hardin & Waite
7200 Sears Tower
Chicago, Illinois 60606

Box 408

DEPT-01 RECORDING $93.00
T#2222 TRAN 7079 08/27/92 11:02:00
#2811 # * -92-635721
COOK COUNTY RECORDER

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DECLARATION OF RESTRICTIVE COVENANTS AND REGULATORY AGREEMENT

THIS DECLARATION OF RESTRICTIVE COVENANTS AND REGULATORY AGREEMENT (this "Regulatory Agreement"), dated as of August 1, 1992, is entered into among the **CITY OF CHICAGO, ILLINOIS**, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois and a "home rule unit" under Section 6(a) of Article VII of the Constitution (together with any successor to its rights, duties and obligations, the "Issuer"), **LASALLE NATIONAL BANK**, a national banking association organized and existing under the laws of the United States of America and authorized to accept and execute trusts with its principal corporate trust office in Chicago, Illinois (together with any successor trustee or co-trustee, the "Bond Trustee"), **AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO**, not personally, but as Trustee (the "Land Trustee") under Trust No. 114365-08 (the "Land Trust") and **LAKEVIEW TOWERS PRESERVATION CORP.**, an Illinois not-for-profit corporation and sole beneficiary of the Land Trust (the "Beneficiary;" the Beneficiary and the Land Trust are referred to collectively as the "Borrowers");

WITNESSETH:

WHEREAS, the Issuer is authorized under the Constitution and laws of the State of Illinois to issue revenue bonds for the purpose of financing multi-family rental housing developments situated within the territorial boundaries of Issuer.

WHEREAS, in order to provide moneys to finance a portion of the costs of acquisition of the Project (as defined below), to fund certain debt service reserve funds with respect to the Bonds, to provide capitalized interest with respect to the Bonds and to pay certain costs of issuing the Bonds, the Issuer adopted an authorizing ordinance on May 11, 1992 (the "Bond Resolution"), pursuant to which the Issuer authorized the issuance of its Mortgage Revenue Bonds, Series 1992 (FHA Insured Mortgage Loan -- Lakeview Towers Project) (the "Bonds"); and

WHEREAS, the Issuer proposes to issue the Bonds in the aggregate principal amount of $13,440,000 and to use the proceeds of the Bonds to make a loan to the Borrowers (the "Project Loan") pursuant to the Loan Agreement, dated the date of this Regulatory Agreement (the "Loan Agreement"), between the Issuer and the Borrowers, to finance a portion of the cost of acquiring an existing 500 unit multi-family residential rental housing facility located in the City of Chicago, Illinois, on the real property described on Exhibit A to this Regulatory Agreement (the "Project"); and

WHEREAS, in connection with such financing, the Borrowers have agreed to rent or lease at least 20% of the dwelling units in the Project to families or individuals

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whose income is 50% or less of area median gross income, all for the public purpose of assisting inhabitants of the Issuer, including persons of low and moderate income, to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Code and the Regulations prescribe that the use and operation of the Project be restricted in certain respects in order to assure the continuing tax-exempt status of the Bonds intended to be tax exempt, and in order to ensure that the Project will be acquired, constructed, used and operated in accordance with such requirements of the Code, the Regulations and the Act, the Issuer, the Bond Trustee and the Borrowers have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, rehabilitation, occupancy, use and operation of the Project.

NOW, THEREFORE, in consideration of the Project Loan and the mutual covenants and undertakings set forth in this Regulatory Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Issuer, the Bond Trustee and the Borrowers covenant, agree and declare as follows:

Section 1. Definitions and Interpretations. Except as otherwise defined in this Agreement, the terms used in this Agreement, including its preambles and recitals, shall for all purposes have the meanings specified in the preceding language of this Agreement or Article I of the Indenture of Trust, dated the date of this Regulatory Agreement (the "Indenture"), between the Issuer and the Trustee or Article I of the Loan Agreement, unless the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used in this Agreement shall have the following meanings:

"Act" means the Constitution and laws of the State of Illinois, particularly Article II of Chapter 2-32 of the Municipal Code of Chicago.

"Affiliate" means persons and entities that are related in the manner described in Section 144(a)(3) of the Code and Section 1.103-10(e) of the Regulations. In general, such Regulations provide that parties are related if:

(i) the provisions of Section 267 of the Code, relating to the disallowance of losses between related taxpayers, or Section 707(b) of the Code, relating to the disallowance of losses between partners and controlled partnerships and between related partnerships would apply to such parties; or

(ii) such persons are members of the same controlled group of corporations under Section 1563(a) of the Code, substituting the words "more than 50%" for the words "at least 80%" each place the latter expression appears in Section 1653(a).

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Under these rules, certain family members are treated as related to each other and certain shareholders, partners, corporations or partnerships may be treated as related to those partnerships or corporations in which they hold an interest or which are under common control.

"Borrowers" means American National Bank and Trust Company of Chicago, not personally, but as Trustee under a Trust Agreement known as Trust No. 114365-08 and Lakeview Towers Preservation Corp., an Illinois not-for-profit corporation, or the Person or Persons who shall succeed to the legal or beneficial ownership, or both, of all or any part of the Project in accordance with the provisions of the Loan Agreement.

"Certificate of Continuing Program Compliance" means the certificate from the Borrowers in substantially the form and covering the matters set forth in Exhibit C to this Regulatory Agreement.

"Compliance Agent" means the management agent of the Project or such other Person as shall be selected by the Borrowers.

"Loan Documents" means this Regulatory Agreement, the Loan Agreement, the Note, the Second Mortgage and all other documents and instruments executed and delivered by the Borrowers to evidence and secure the indebtedness of the Borrowers with respect to the Project Loan, as such documents, instruments and agreements may be amended and supplemented from time to time.

"Low and Moderate Income Tenants" means and include individuals or families with adjusted income, calculated in the manner prescribed in Regulations Section 1.167(k)-3(b)(3) as it shall be in effect on the Bond Closing Date, which does not exceed fifty percent (50%) of the median gross income for the area in which the Project is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended, or if that program is terminated, under that program as in effect immediately before termination. Determination shall include adjustments for family size. In no event, however, will the occupants of a unit of the Project be considered to be Low and Moderate Income Tenants if all the occupants are students, no one of whom is entitled to file a joint return for federal income tax purposes.

"Person" means natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project Loan" means the loan made to the Borrowers by the Issuer pursuant to the Loan Agreement to finance the cost of acquiring the Project and costs incidental to those costs and costs of the issuance of the Bonds.

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"Qualified Project Period" means the period beginning on the Bond Closing Date, and ending on the later of the date (i) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Project are first occupied, (ii) that is the first date on which no tax-exempt private activity bond issued with respect to the Project is outstanding or (iii) on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates, in each case as the period may be extended pursuant to Section 10 of this Agreement.

"Regulatory Agreement" means this Declaration of Restrictive Covenants and Regulatory Agreement as originally executed or as it may from time to time be amended or supplemented pursuant to Section 15 of this Regulatory Agreement.

"Tenant Income Certificate" means a sworn and notarized certificate in substantially the form and covering the matters set forth in Exhibit B to this Regulatory Agreement; provided, however, that so long as HUD shall require and receive certificates confirming tenant income with respect to tenants of the Project, "Tenant Income Certificate" shall mean the certificates so required by HUD.

The rules of interpretation set forth in Section 1.02 of the Indenture shall apply equally to this Regulatory Agreement. This Regulatory Agreement and all of its terms and provisions shall be construed to effectuate the purposes set forth in and to sustain the validity of this Regulatory Agreement.

Section 2. The Project to be Residential Rental Property. The Borrowers represent, agree, covenant and (except for the Land Trustee) warrant as follows:

(a) The Project is being acquired and constructed for the purpose of providing a "qualified residential rental project," and the Borrowers shall own, manage and operate the Project as a "residential rental project" comprised of residential units and facilities functionally related and subordinate to them, in accordance with Section 142(d) of the Code and Section 1.103-8(b)(4) of the Regulations, as the same may be amended from time to time to the extent applicable to the Bonds. The Project shall consist of a building or structure or more than one building or structure, each located on the same tract of land and with the same owners, each containing one or more similarly constructed residential units, and facilities which are functionally related and subordinate to such units. Each such building or structure is a discrete edifice or other person-made construction consisting of independent (i) foundation, (ii) outer walls and (iii) roof, and containing five (5) or more similarly constructed units.

(b) The Project shall consist of residential units which are similar in quality and type of construction or amenities, together with facilities which are functionally related and subordinate to such units; provided, however, that (i) not in excess of 7,460 square feet of the Project shall consist of commercial space which may not be deemed to be functionally related and subordinate to such units and (ii) the aggregate rental value of all commercial

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space (including existing leases and vacant space) is not reasonably expected to exceed 1.26% of the total rental value for the Project as a whole at any time.

(c) Each residential unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

(d) None of the residential units in the Project shall at any time be used on a transient basis and no portion of the Project shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, retirement home, sanitarium, rest home or trailer park or court.

(e) The residential units in the Project shall be made available for lease to members of the general public. The Borrowers shall not give preference in renting residential units in the Project to any particular class or group of persons, other than (i) Low and Moderate Income Tenants as provided in this Regulatory Agreement or as otherwise required by HUD in the rules and regulations promulgated with respect to the Section 8 housing program or (ii) or as otherwise required by law.

(f) At no time shall the Borrowers or any Affiliate of the Borrowers occupy a residential unit in the Project.

(g) Any functionally related and subordinate facilities (*e.g.*, parking areas, swimming pools, tennis courts, etc.) which are to be included as part of the Project will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use of those facilities if the charging of fees is customary for the use of such facilities and in any event, any fees charged will not be discriminatory or exclusionary as to the Low and Moderate Income Tenants. For purposes of this subparagraph (g), the charging of a reasonable parking fee for tenants of the Project shall be deemed to be customary.

The provisions of this Section 2 shall remain in effect throughout the Qualified Project Period. However, after payment in full of the Note, for the remainder of the Qualified Project Period the Borrowers may be discharged from their obligations under this Section 2 to the extent that the same are assumed by a successor in interest to the Borrowers[which is approved in writing by the Issuer], and which satisfies the requirements of the Loan Agreement.

Section 3. Continuous Rental Required. The Borrowers represent, covenant, agree and (except for the Land Trustee) warrant that throughout the Qualified Project Period, once each unit in the Project is available for occupancy following its rehabilitation such unit shall be rented or available for rental to members of the general public on a continuous basis.

Section 4. Low and Moderate Income Tenants. To the end of satisfying the requirements of Section 142(d)(2)(B) of the Code relating to individuals of low and

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moderate income during the Qualified Project Period, and related Regulations, the Borrowers represent, covenant, agree and (except for the Land Trustee) warrant as follows:

(a) At all times during the Qualified Project Period, at least twenty percent (20%) of the completed residential units shall be occupied by Low and Moderate Income Tenants. For purposes of satisfying that requirement a unit occupied by an individual or family who at the commencement of occupancy is a Low and Moderate Income Tenant shall be treated as occupied by such an individual or family during their tenancy in such unit, even though they subsequently cease to be a Low and Moderate Income Tenant. The preceding sentence shall, however, cease to apply to any resident whose income as of the most recent determination exceeds one hundred forty percent (140%) of the fifty percent (50%) income limitation amount if, after such determination, but before the next determination, any residential unit of comparable or similar size in the Project is occupied by a new resident whose income exceeds that fifty percent (50%) limitation. A unit treated as occupied by a Low and Moderate Income Tenant shall be treated as occupied after it is vacated until reoccupied (other than for a temporary period (not to exceed 31 days)), at which time the character of the unit shall be redetermined.

(b) If necessary, the Borrowers shall refrain from renting residential units to persons other than Low and Moderate Income Tenants in order to avoid violating the requirement that at all times during the Qualified Project Period at least twenty percent (20%) of the occupied residential units in the Project shall be occupied by Low and Moderate Income Tenants.

(c) The Owner shall determine annually the current income of each tenant treated as a Low and Moderate Income Tenant.

The Borrowers shall obtain and submit to the Compliance Agent and maintain on file a Tenant Income Certificate with respect to each occupant in the Project who is intended to be a Low or Moderate Income Tenant signed by the tenant or tenants (*i.e.*, the person or persons whose names appear on the lease). The Borrowers shall obtain such a Tenant Income Certificate prior to such tenant or tenants signing a lease with respect to a unit and commencing occupancy in it and also shall obtain such a Certificate for each subsequent year the tenant lives in the Project, as required by the Code and the Regulations as in effect on the Bond Closing Date, or in such other form and manner, signed by such person or persons and obtained at such time or times, all as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or later promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. The Borrowers annually shall obtain and submit, and shall maintain on file, a Tenant Income Certificate for each Low and Moderate Income Tenant. The Borrowers promptly shall deliver a copy of each such Certification to the Issuer and the Bond Trustee.

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The Borrowers shall prepare and submit to the Bond Trustee and the Issuer on or before the first day of each March 1, June 1, September 1 and December 1 of each year during the Qualified Project Period, a Certificate of Continuing Program Compliance in substantially the form attached to this Regulatory Agreement as Exhibit C executed by Borrowers' Representative.

The Borrowers will submit to the Secretary of the Treasury an annual certification as to whether the Project continues to meet the low and moderate income occupancy requirements set forth in the Code. Failure to comply with the requirements set forth in the preceding sentence shall not constitute a default under this Agreement, but may subject the Borrowers to penalty as provided in Section 6652(j) of the Code.

Section 5. Tenants and Tenant Leases. In addition to the requirements contained in Sections 2, 3 and 4 of this Regulatory Agreement, the Borrowers represent, covenant, agree and (except for the Land Trustee) warrant as follows:

(a) All tenant lists, applications, certificates and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrowers which is unrelated to the Project and shall be maintained, as required by the Issuer or the Bond Trustee from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer and the Bond Trustee. Failure to keep such lists and applications or to make them available to the Issuer or the Bond Trustee shall be a default under this Regulatory Agreement.

(b) All tenant leases shall be expressly subordinate to the Second Mortgage securing the Project Loan. Each tenant lease for a Low and Moderate Income Tenant shall require the tenant to submit annual Tenant Income Certificates and to provide further information as the Borrowers may reasonably require concerning such a Certificate, and that a failure to comply with these requirements or the filing of a false Tenant Income Certificate shall be a violation of a substantial obligation of his tenancy. The provisions of this Section 5 shall apply throughout the Qualified Project Period.

Section 6. Tax-Exempt Status of the Bonds. Each of the Borrowers and the Issuer represents, agrees and (except for the Land Trustee) warrants that to the best of its ability:

(a) It will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion of the interest on the Bonds from the gross income of their Holders for federal income tax purposes (except for actions prohibited or required by HUD pursuant to the National Housing Act, applicable mortgage insurance regulations, the FHA Documents or Section 8 of the U.S. Housing Act of 1937 and regulations thereunder). If it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge of them.

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(b) It will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer and the Bond Trustee, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exemption of interest on which depends upon continuing compliance with Section 142(d) of the Code and the Regulations under that Section.

(c) It will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer and the Bond Trustee, in order to ensure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

Section 7. Notice of Noncompliance; Corrective Action. As soon as is reasonably possible, the Borrowers shall notify the Bond Trustee and the Issuer of the existence of any situation or the occurrence of any event of which the Borrowers have knowledge, the existence or occurrence of which would violate any of the provisions of this Regulatory Agreement or cause the interest on the Bonds to become includable in gross income of their Holders for federal income tax purposes. The Borrowers covenant to commence appropriate corrective action within a reasonable period of time, but in no event later than 60 (sixty) days after such noncompliance is first discovered or should have been discovered by the exercise of reasonable diligence.

Section 8. Reliance; Compliance. The Issuer and the Borrowers recognize and agree that the representations, warranties, agreements and covenants set forth in this Regulatory Agreement may be relied upon by all persons interested in the legality and validity of the Bonds and in the exclusion of the interest on the Bonds from gross income of their Holders for federal income tax purposes. In performing their duties and obligations under this Regulatory Agreement, the Issuer and the Bond Trustee may rely upon statements and certificates of the Borrowers and tenants, and upon audits of the books and records of the Borrowers pertaining to the Project. In addition, the Issuer and the Bond Trustee may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Bond Trustee under this Regulatory Agreement in good faith and in conformity with such opinion. The Bond Trustee's duties, responsibilities and liabilities under this Regulatory Agreement are governed by and subject to the terms of the Indenture.

Section 9. Sale or Transfer of the Project. The Borrowers covenant and agree not to sell, transfer or otherwise dispose of the Project (including without limitation a transfer by assignment of the beneficial interest under any land trust), or any portion of it (other than by lease for individual tenant use as contemplated under this Regulatory Agreement) other than in a manner consistent with the provisions of the Loan Agreement.

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Section 10. Term. (a) This Regulatory Agreement shall become effective upon its execution and delivery. Unless the Bond Trustee and the Issuer shall have received a written opinion of Bond Counsel addressed to each of them to the effect that early termination of this Regulatory Agreement will not adversely affect the exclusion of the interest on the Bonds from gross income of their Holders for federal income tax purposes, and the Issuer shall have consented to such termination, and subject to the provisions of paragraph (b) of this Section 10, this Regulatory Agreement shall remain in full force and effect for a term equal to the Qualified Project Period, it being expressly agreed and understood that the provisions of this Regulatory Agreement are intended to survive the retirement of the Bonds and expiration of the Indenture, the Loan Agreement, the Note and the Second Mortgage. Notwithstanding the immediately preceding sentence, this Regulatory Agreement, and all and several of the terms of it, shall terminate and be of no further force and effect in the event of (x) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, foreclosure or delivery of a deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the date of this Regulatory Agreement which prevents the Issuer and the Bond Trustee from enforcing the requirements of this Regulatory Agreement, condemnation or other similar event and (y) the payment in full and retirement of the Bonds within a reasonable period after that event. However, the preceding sentence shall cease to apply and the restrictions contained in this Section shall be automatically reinstated if, at any time subsequent to the termination of the Second Mortgage or the delivery of a deed in lieu of foreclosure or similar event, the Borrowers or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtain an ownership interest in the Project for federal income tax purposes. Upon the termination of all and several of the terms of this Regulatory Agreement, the parties agree to execute, deliver and record appropriate instruments of release and discharge of the terms of this Regulatory Agreement. However, the execution and delivery of such instruments shall not be a necessary prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

(b) No less than one (1) year prior to the date of the termination of the Qualified Project Period (or in the event that the Qualified Project Period will terminate in less than one (1) year, as soon as possible), the Borrowers shall give the Issuer notice stating that the Qualified Project Period is set to expire. Thereafter, a mandatory conference will be held between the Borrowers and the Issuer at least thirty (30) but not more than ninety (90) days after the Borrowers' notice (or, in the event that the Qualified Project Period will terminate in less than thirty (30) days, prior to the date of such scheduled termination), to discuss the conditions on which the Qualified Project Period can be extended or appropriately modified. The Borrowers shall report at such mandatory conference on (a) any discussions or arrangements with HUD which may be outstanding concerning the extension or modification of the use restrictions with respect to the Project imposed by HUD (the "HUD Use Restrictions"), (b) any economic incentives and assistance to the extent available from governmental agencies having jurisdiction over the Project that would make the operation and maintenance of the Project feasible during the continuation of the Qualified Project Period and (c) an analysis by the Borrowers as to

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whether the Project can be maintained in an economically feasible manner if the Qualified Project Period is extended. Additional conferences will be held as may be reasonably requested by either the Borrowers or the Issuer for this purpose but in no event will any such conference be held without the approval of both the Issuer and Borrowers later than ninety (90) days prior to the scheduled termination of the Qualified Project Period or the HUD Use Restrictions (unless the initial conference is held within ninety (90) days of the scheduled termination of the Qualified Project Period).

During the period between the date of initial notice to the Issuer pursuant to this subparagraph (b) and the scheduled termination of the Qualified Project Period, the Borrowers shall make good faith efforts to obtain economic incentives and assistance to the extent available from governmental parties having jurisdiction over the Project that make the maintenance of the Project economically feasible while continuing to operate the Project in a manner consistent with this Agreement. To the extent HUD approval of the use of surplus cash or other funds is required, the Borrowers will request such approval in a timely manner and diligently pursue the approval. Subject to the availability of funds as set forth above, the Borrowers shall have a report prepared by a consultant if required by the Issuer to assure good faith efforts indicating what economic incentives and assistance from governmental parties having jurisdiction over the Project might be available to the Borrowers and a copy of such report shall be provided to the Issuer.

If the Borrowers comply with the requirements stated above and, after giving effect to any economic assistance, incentives and subsidies to the extent available obtained from governmental parties (including any made available by the Issuer in its sole discretion), the Project cannot be maintained in an economically feasible manner if the Qualified Project Period is extended, then the Qualified Project Period shall terminate as it otherwise would. If it is determined in accordance with this subparagraph (b) that the Project can be maintained in an economically feasible manner, then the Qualified Project Period shall automatically be extended for an additional twenty (20) year term. In no event shall the Issuer have the right pursuant to this Agreement to extend the Qualified Project Period if by doing so the Project would become ineligible for any governmental incentives or assistance available to encourage the preservation of low-to-moderate income housing.

For purposes of this Section 10(b), "economically feasible" means that the Project has sufficient revenue from operations (a) to cover the costs of operation reasonably expected, including establishing and maintaining reserves for structural replacement and capital improvements and otherwise as may be customary for projects such as the Project, and (b) for paying debt service on a loan in the full amount of the Project's fair market value as a project subject to the occupancy and use restrictions established in this Agreement (without regard to the amount of debt then outstanding). The term "economically feasible" also means that the Project is reasonably expected to continue to meet the test set forth in the immediately preceding sentence for the twenty (20) years immediately following the date of extension of the Qualified Project Period. The cost of operation shall include customary management fees and return on investment (to the extent

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the Beneficiary can receive a return on investment if the Beneficiary is then a tax-exempt entity) and the cost of maintaining reserves to cover insurance deductibles or risks for which insurance may not be available on reasonable terms. If the Qualified Project Period is extended for the additional twenty (20) year term, the Borrowers may at any time notify the Issuer that the Project is no longer economically feasible with the continued imposition of the occupancy and use restrictions established in this Agreement, in which case the Borrowers will provide an analysis supporting such position. The Issuer, if it disagrees with the Borrowers, shall notify the Borrowers why it considers the Project then to be economically feasible. Failing an agreement of the parties, the issue shall be resolved by a dispute resolution mechanism to be determined by the parties and such resolution will be binding on the parties; i.e., the Qualified Project Period will be extended or will be terminated depending on such resolution.

Notwithstanding any other provision of this Section 10 to the contrary, nothing herein contained shall be deemed in any way (1) to require or otherwise obligate HUD to provide the Borrowers with any economic incentives and assistance with respect to the Project except to the extent of and as otherwise provided to the Borrowers pursuant to the Loan Documents; or (2) to result in the termination of the Qualified Project Period later than the fortieth (40th) anniversary of the date of the issuance of the Bonds, unless otherwise required by federal tax law.

Section 11. Covenants to Run With the Land. The Borrowers hereby subject the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer, the Bond Trustee and the Borrowers declare their express intent that the covenants, reservations and restrictions set forth in this Regulatory Agreement shall be deemed covenants running with the land to the extent permitted by law and shall pass to and be binding upon the successors in title to the Project throughout the term of this Regulatory Agreement. Each and every contract, deed, mortgage or other instrument executed covering or conveying the Project or any portion of it shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

Section 12. Enforcement. If the Borrowers default in the performance or observation of any covenant, agreement or obligation of the Borrowers set forth in this Regulatory Agreement, and if such default remains uncured for a period of thirty (30) days after written notice of the default shall have been given to the Borrowers by the Issuer or the Bond Trustee, then the Bond Trustee, acting on behalf of the Bondholders or on behalf of the Issuer, shall declare an "Event of Default" to have occurred, and, at its option, may take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrowers to perform their obligations and covenants

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under this Regulatory Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Bond Trustee under this Regulatory Agreement;

(b) have access to and inspect, examine and make copies of all the books and records of the Borrowers pertaining to the Project; or

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrowers under this Regulatory Agreement.

The Bond Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent, approval or knowledge of the Issuer or any person to exercise any or all of the rights or remedies of the Issuer under this Regulatory Agreement. Notwithstanding the foregoing, the Bond Trustee agrees to notify the Issuer prior to exercising such rights or remedies, but the failure to so notify the Issuer shall neither impair the ability of the Bond Trustee to exercise such rights and remedies nor invalidate such exercise. All fees, costs and expenses of the Bond Trustee incurred in taking any action pursuant to this Section shall be the sole responsibility of the Borrowers.

Notwithstanding the foregoing, if the failure stated in the written notice cannot be corrected within such thirty (30) day period, the Bond Trustee may consent in writing to an extension of such time period, which consent shall not be unreasonably withheld, if corrective action is instituted within such thirty (30) day period and diligently pursued to completion and if such extension does not, in the Bond Trustee's judgment, adversely affect the interests of the Holders of the Bonds.

The enforcement of any covenant set forth in this Regulatory Agreement will not result in any claim against the Project, the proceeds of the Second Mortgage, any reserve or deposit required by HUD in connection with the mortgage transaction or the rents or other income from the Project. Failure to comply with the covenants in this Agreement will not serve as a basis for default under the HUD Insured Second Mortgage.

Section 13. Recording and Filing. The Borrowers shall cause this Regulatory Agreement and all amendments and supplements to it 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 Issuer or the Bond Trustee may reasonably request. The Borrowers shall pay all fees charges incurred in connection with any such recording.

Section 14. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of Illinois.

Section 15. Amendments. This Regulatory Agreement shall be amended only by a written instrument executed by the parties to it or their successors in title, together with the written consent of HUD, and duly recorded in the real property records of the

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county in which the Project is located and in such other places as the Issuer or the Bond Trustee may reasonably request. The Borrowers shall pay all fees and charges incurred in connection with any such recording.

No amendment to this Regulatory Agreement shall be effective unless there shall have been filed with the Bond Trustee a written opinion of Bond Counsel to the effect that (a) such amendment will not cause or result in interest on the Bonds becoming includable in gross income of their Holders for federal income tax purposes, and (b) compliance with the terms and provisions of the Regulatory Agreement, as so amended, will be sufficient to ensure full compliance with the requirements of Section 142(d) of the Code and all then-applicable rules, rulings, policies, procedures, portions of the Regulations, or other statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations, the exclusion of interest from gross income on which depends on continuing compliance with that Section 142(d).

Section 16. Notice. Any notice, demand or other communication required or permitted under this Regulatory Agreement shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first day after being sent by telegram, or on the third day after being deposited in United States registered or certified mail, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address the party to receive such notice may have designated to all other parties by notice in accordance with this Section 16:

If to the Issuer:

Office of the City Comptroller
City of Chicago
City Hall, Room 501
121 North LaSalle Street
Chicago, Illinois 60602
Attention: City Comptroller

and to

Department of Housing
City of Chicago
318 South Michigan Avenue,
7th Floor,
Chicago, Illinois 60604
Attention: Commissioner

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with a copy to:

Office of the Corporation Counsel
City of Chicago
City Hall, Room 511
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

If to the Borrowers:

Lakeview Towers Preservation Corp.
4554 North Broadway
Suite 302
Chicago, Illinois 60640
Attention: President

American National Bank and Trust Company of Chicago
33 North LaSalle Street
Chicago, Illinois 60690
Attention: Land Trust Department
Re: Land Trust No. 114365-08

with a copy to:

Rudnick & Wolfe
203 North LaSalle Street
18th Floor
Chicago, Illinois 60601
Attention: Paul Fisher, Esq.

If to the Bond Trustee:

LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60690
Attention: Corporate Trust Department

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Copies of each notice, certificate of other communication given under this Regulatory Agreement by any party hereto shall be given to all parties to this Regulatory Agreement.

Section 17. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

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Section 18. Issuer's Exculpation. No recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on any of the Bonds or upon any obligation, covenant or agreement contained in this Regulatory Agreement against any past, present or future member, officer, employee, director or trustee of the Issuer or any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Regulatory Agreement by the Issuer.

Section 19. Land Trustee's Exculpation. This Regulatory Agreement is executed by American National Bank and Trust Company of Chicago, not personally, but as the Land Trustee in the exercise of the power and authority conferred upon and vested in it as such Land Trustee, and it is expressly agreed by the Issuer and by every person now or later claiming any right or security under this Regulatory Agreement that nothing contained in it shall be construed as creating any liability on the Land Trustee personally to make any payments or perform any obligation or covenant contained in this Regulatory Agreement, all such liability, if any, being expressly waived, but this waiver shall in no way release, waive, modify, discharge or otherwise affect the personal liability or responsibility of the beneficiaries of the Land Trust, or of any other person or entity other than the Land Trustee.

Section 20. No Recourse to Borrowers. NOTWITHSTANDING ANYTHING IN THIS REGULATORY AGREEMENT TO THE CONTRARY, IT IS EXPRESSLY AGREED AND UNDERSTOOD THAT THE BORROWERS SHALL HAVE NO PERSONAL LIABILITY WITH RESPECT TO ANY OBLIGATION FOR ANY MONEY ADVANCED OR OWING UNDER IT.

Section 21. FHA Regulations and Documents Controlling. No provisions of the Indenture or this Regulatory Agreement, including all Exhibits to it, or any related document, including, but not limited to, the Loan Agreement and the Mortgage Servicing Agreement (collectively, the "Financing Documents") are intended to alter or conflict with Title 24 of the Code of Federal Regulations and related administrative requirements as in effect on the date of this Regulatory Agreement or the Indenture or the Contract of Mortgage Insurance or the FHA Documents executed in connection with the Loan, and to the extent that they do so, in the opinion of HUD, the Indenture, this Regulatory Agreement and the Financing Documents shall be amended or shall be deemed to be amended so as not to alter or conflict with the FHA Documents.

Notwithstanding anything provided in this Regulatory Agreement or the Indenture, or in any of the Financing Documents (i) the provisions hereof and thereof are subordinate in all respects to all applicable HUD mortgage insurance and Section 8 regulations and related administrative requirements and (ii), in the event that any contracts or other documents executed by the Land Trustee or the Beneficiary or any other

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arrangements agreed to by the Land Trustee or the Beneficiary in order to finance the Loan from the proceeds of the Bonds are inconsistent with the HUD/FHA Documents and applicable HUD/FHA and Section 8 regulations and related administrative requirements, including all applicable occupancy requirements, then the HUD/FHA Documents and such applicable HUD/FHA and Section 8 regulations and administrative requirements, including all applicable occupancy requirements, shall be controlling in all respects.

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IN WITNESS WHEREOF, the Issuer, the Bond Trustee and the Borrowers have caused this Regulatory Agreement to be executed by their duly authorized representatives and their respective seals to be hereunto affixed and attested, all as of the date first above written.

CITY OF CHICAGO, ILLINOIS

(SEAL)

ATTEST:

By _____

Its _____

By _____

Its City Clerk

LASALLE NATIONAL BANK,
as Bond Trustee

(SEAL)

ATTEST:

By _____

Its _____

By _____

Its _____

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
not personally, but as Trustee under Trust No. 114365-08

(SEAL)

ATTEST:

By _____

Its _____

By _____

Its _____

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IN WITNESS WHEREOF, the Issuer, the Bond Trustee and the Borrowers have caused this Regulatory Agreement to be executed by their duly authorized representatives and their respective seals to be hereunto affixed and attested, all as of the date first above written.

CITY OF CHICAGO, ILLINOIS

(SEAL)

ATTEST:

By_____

Its_____

By_____

Its_____

LASALLE NATIONAL BANK,
as Bond Trustee

(SEAL)

ATTEST:

By_____

Its Assistant Secretary

By_____

Its Vice President

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
not personally, but as Trustee under Trust No. 114365-08

(SEAL)

ATTEST:

By_____

Its_____

By_____

Its_____

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IN WITNESS WHEREOF, the Issuer, the Bond Trustee and the Borrowers have caused this Regulatory Agreement to be executed by their duly authorized representatives and their respective seals to be hereunto affixed and attested, all as of the date first above written.

CITY OF CHICAGO, ILLINOIS

(SEAL)

ATTEST:

By_____

Its_____

By_____

Its_____

LASALLE NATIONAL BANK,
as Bond Trustee

(SEAL)

ATTEST:

By_____

Its_____

By_____

Its_____

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
not personally, but as Trustee under Trust No. 114365-08

(SEAL)

ATTEST:

By_____

Its_____ ASSISTANT SECRETARY

By_____

Its_____ Second Vice President

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9 2 6 3 5 7 2 1

LAKEVIEW TOWERS PRESERVATION CORP.,
an Illinois not-for-profit corporation

By Janet Hass

Title President

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Cindy Lynn Wallack, a Notary Public in and for the said County in the State aforesaid do hereby certify that Walter K. Knorr and Walter S. Kozubowski, City Comptroller and City Clerk, respectively, of the CITY OF CHICAGO, ILLINOIS, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said constituted and existing municipality and delivered as City Comptroller and City Clerk of said constituted and existing municipality, the said instrument as the free and voluntary act and deed of said public body, corporate and politic, and as their own free and voluntary act and deed, for the uses and purposes set forth in such instrument.

GIVEN under my hand and notarial seal this 26th day of August, 1992.

Cindy Lynn Wallack
Notary Public
in and for Cook County, Illinois

" OFFICIAL SEAL "
CINDY LYNN WALLECK
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/19/95
(SEAL)

My Commission Expires:

April 19, 1995

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 27th day of August, 1992, before me appeared Sarah H. Webb and Gail A. Klewin, to me personally known, who, being by me affirmed, did say that the same persons are the Vice President and Assistant Secretary, respectively, of LASALLE NATIONAL BANK, a national banking association and personally known to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed with the seal of said national banking association and delivered the said instrument as Vice President and Assistant Secretary of said national banking association and as the free and voluntary act and deed of said national banking association and as their free and voluntary act and deed, for the uses and purposes set forth in such instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 27th day of August, 1992.

Notary Public
in and for Cook County, Illinois

"OFFICIAL SEAL"
Starla R. Amicks
Notary Public, State of Illinois
My Commission Expires May 25, 1994

(SEAL)

My Commission Expires:

May 25, 1994

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid do hereby certify that Peter Johansen and Gregory S. Kasprzyk, personally known to me to be the SECOND VICE PRESIDENT and ASSISTANT SECRETARY, respectively of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but as Land Trustee of Trust No. 114365 08 and personally known to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed with the seal of said bank and delivered the said instrument as SECOND VICE PRESIDENT and ASSISTANT SECRETARY of said bank as the free and voluntary act and deed of said bank and as their free and voluntary act and deed, for the uses and purposes set forth in such instrument.

GIVEN under my hand and notarial seal this ____ day of AUG 25 1992, 1992.

Pamela Ann Csikos
Notary Public
in and for Cook County, Illinois

"OFFICIAL SEAL"
PAMELA ANN CSIKOS
Notary Public, State of Illinois
My Commission Expires 5/1/96

(SEAL)

My Commission Expires:

_____

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Susan Kajpust, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Janet Hay, personally known to me to be President of LAKEVIEW TOWERS PRESERVATION CORP. and to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he signed and delivered the said instrument, as his free and voluntary act and deed and the free and voluntary act and deed of said partnership, for the uses and purposes set forth in such instrument.

GIVEN under my hand and notarial seal this 25th day of August, 1992.

"OFFICIAL SEAL"
SUSAN KAJPUST
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Oct. 16, 1995
(SEAL)

Susan Kajpust
Notary Public
in and for Cook County, Illinois

My Commission Expires:

10-16-95

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EXHIBIT A

LEGAL DESCRIPTION OF PROJECT SITE

PARCEL 1:

Lot 3 (except the West 11.0 feet of the North 79.336 feet) and Lots 4 to 12 both inclusive, the East 79 feet of Lot 1 (measured along the South line of said Lot); All of the East and West vacated alley lying South of and adjoining Lots 3 to 6, both inclusive, and all of the North and South vacated alley lying West of and adjoining Lots 7 to 11, both inclusive, all in Christian Kurz's Resubdivision of Lots 5 and 6 in Rufus C. Hall's subdivision of part of the East Half of the Northeast Quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Lot 10 and the East 59.60 feet of Lot 9 in Wallingford's Subdivision of the 15 rods South of and adjoining the North 95 rods of the East Half of the Northeast Quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

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EXHIBIT B

FORM OF TENANT INCOME CERTIFICATE

LAKEVIEW TOWERS PRESERVATION CORP.

Name of Tenant (i.e., person or persons whose names appear on the lease):_____

Address of Apartment:_____

Apartment Number:_____

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by bonds issued for the benefit of the owner. Interest paid on those bonds is intended to be exempt from federal income tax. In order to qualify for that exemption there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements, it is necessary for you to provide the information requested in this Tenant Income Certificate at the time you sign your lease and annually after you become a Tenant.

I. ANTICIPATED INCOME

For each person who is now occupying or is expected to occupy your apartment unit at any time during the next twelve months, please provide the following information:

Name	Annual Salary/ Wages*	Other Income**	Total Income

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*State the gross amount of compensation, before any payroll deductions, including any bonuses, overtime pay, tips, commissions or fees anticipated to be received during the next twelve months.

**Other income generally includes income anticipated to be received from any source whatsoever during the next twelve months, including but not limited to:

(a) interest and dividends;

(b) rental income;

(c) net income from a profession or operation of a business;

(d) payments in lieu of earnings, such as unemployment compensation;

(e) periodic payments (not lump-sum payments) received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits;

(f) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts from persons not listed above; and

(g) public assistance, but if the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included shall consist of:

(1) the amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus

(2) the maximum amount which the public assistance agency could in fact allow the occupant for shelter and utilities.

Do not include the amount of other income shown above the following items:

(a) casual, sporadic or irregular payments you may receive;

(b) amounts which are specifically for or in reimbursement of the cost of medical expenses;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlements for personal or property losses;

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(d) amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment; provided that any amounts of such scholarships, or payments to veterans not used for the above purposes which are available for subsistence are to be included in income;

(e) the special pay to a serviceman head of a family away from home and exposed to hostile fire;

(f) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the occupants of the dwelling unit;

(i) payments received pursuant to participation in the following volunteer programs under the ACTION Agency:

(1) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs; and

(2) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Service Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE).

II. CAPITAL ASSETS

If any of the persons listed above has any savings, stocks, bonds, real estate or other form of capital investment (except for necessary items such as furniture, automobiles, etc.), please provide the following information:

(a) the total value of all such assets presently owned by all such persons: $_____, and

(b) the amount of income expected to be derived from such assets in the 12-month period commencing this date (which should be included in "other income" shown above): $_____.

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III. STUDENTS

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

Yes _____ No _____

(b) Is any such full-time student married and eligible to file a joint federal income tax return?

Yes _____ No _____

I, the undersigned, certify that I have read and answered fully, frankly and personally each of these questions and requests for information for all persons who now occupy or are to occupy the unit in the above Project. I acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on bonds issued to finance the Project containing the unit which I now or which I intend to occupy. I consent to the disclosure of this information to the issuer of such bonds, the owners of such bonds and any agent acting on their behalf.

I certify under penalty of perjury that these statements are true and correct.

Executed this ____ day of _____, 19___, at Chicago, Illinois.

_____
Tenant

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he/she signed and delivered the said instrument, as his/her free and voluntary act, for the uses and purposes set forth in such instrument.

GIVEN under my hand and notarial seal this ____ day of _____, 1992.

_____
Notary Public
in and for Cook County, Illinois

(SEAL)

My Commission Expires:

_____

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IV. FOR COMPLETION BY BORROWERS OF APARTMENT DEVELOPMENT

(a) Anticipated Income Computation:

(1) Total income from Part I. $_____

(2) If 10% of the amount shown on Part II(a) exceeds the amount on Part II(b), enter the amount of such excess. $_____

(3) Anticipated Income ((1) + (2)) $_____

(b) Insert an [X] in the bracket opposite whichever of the following statements is applicable.

[ ] (1) Because total Anticipated Income is less than $_____ , the apartment is occupied by Low and Moderate Income Tenants.

[ ] (2) The apartment is not occupied as provided in (1) above.

(c) The number of units in the Project which are presently occupied is _____.

(d) The number of units occupied by Low and Moderate Income Tenants (i.e., occupants' Anticipated Income does not exceed $_____ based upon Tenant Income Certificates on file) is _____. The number of units which were previously occupied by Low and Moderate Income Tenants but have been vacated and have not been reoccupied (other than for a temporary period of no more than 31 days) is _____. The sum of the units described in this paragraph (d) is equal to _____% of the total number of occupied units from paragraph (c) above.

The undersigned certifies that he or she is one of the Borrowers with respect to Lakeview Towers Apartments and that the above determinations and calculations have been completed to the best knowledge of the undersigned after due inquiry, and the undersigned does not believe or have any reason to believe that the information in the Tenant Income Certificate is inaccurate or has been given falsely.

Date_____, 1991

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EXHIBIT C

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned is the _____ of the beneficiary of the Land Trust with respect to Lakeview Towers Apartments and has read and is thoroughly familiar with the provisions of the various Loan Documents associated with the Borrowers' participation in the financing by the City of Chicago of the acquisition and rehabilitation of the Lakeview Towers Apartments, such documents including:

1. the Declaration of Restrictive Covenants and Regulatory Agreement dated as of August 1, 1992 among the Borrowers, the Issuer and LaSalle National Bank, as Bond Trustee (the "Bond Trustee");

2. the Loan Agreement dated as of August 1, 1992 between the Borrowers and the Issuer; and

3. the Second Mortgage dated as of August 1, 1992 of the Borrowers representing the Borrowers' obligation to repay the loan made to them by the Issuer pursuant to the Loan Agreement described above.

As of the date of this certificate, the following number of residential units in the Project (i) are occupied by Low and Moderate Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Low and Moderate Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days, as indicated:

Number of units occupied by Low and Moderate Income Tenants	_____
Number of units previously occupied by Low and Moderate income tenants (vacated and not reoccupied except for a temporary period of no more than 31 days)	_____
Total Number of Low and Moderate Income Units*	_____
The total number of occupied residential units in the Project is	_____

_____

*

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The number of Low and Moderate Income Tenants shown above is ___% of the total number of occupied units.

The undersigned certifies that the Borrowers are not in default under any of the terms and provisions of the above documents.

Dated: _____

LAKEVIEW TOWERS PRESERVATION CORP.

By_____

Title_____

_____

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