

REGULATORY AND OPERATING AGREEMENT

AGREEMENT made this 30th day of July 1998, by and between Chicago Housing Authority, a public body corporate and politic, organized and existing under the Laws of the State of Illinois (the "Authority"), and MCL/ASD Limited Liability Company III, an Illinois Limited Liability Company ("Owner").

WITNESSETH

WHEREAS, the concept of the public welfare is broad and inclusive, and it is the best interests of the public and the City of Chicago, Illinois that new opportunities for urban redevelopment be developed so as to facilitate the construction and operation of decent, safe, and sanitary buildings for urban residential usage; and

WHEREAS, the public may be served through innovative combinations of the resources of local government and private enterprise; and

WHEREAS, MCL/ASD Limited Liability Company III is the owner of the Project as defined in Section 1 hereof, which Project is a market rate residential condominium development consisting of a total of sixty-three (63) condominium units; and

WHEREAS, Owner has agreed to lease to the Authority to sixteen (16) condominium units in the Project to be used as Public Housing Units as defined in Section 1 hereof; and

WHEREAS, Owner and the Authority desire to enter into this Agreement in order to reflect the foregoing and in order to obtain the approval of HUD hereto.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions.

As used herein, the following terms shall have the following meanings:

- (a) "ACC" shall mean that certain Annual Contributions Contract between HUD and the Authority dated June 13, 1972, as amended from time to time and as and to the extent made applicable to the Leased Premises by specific amendment referring thereto.
- (b) "Act" shall mean the United States Housing Act of 1937, as amended from time to time, or any successor legislation
- (c) "Authority Fiscal Year" shall mean the Authority's fiscal year for purposes of calculating the operating subsidy provided for in Section 3.3 of the Lease.
- (d) "Commencement Date" shall mean the date set forth in Section 2.3 of the Lease.

- (e) "Common Elements" shall be defined in the Condominium Declaration.
- (f) "Condominium Declaration": Declaration of Condominium recorded January 22, 1997 as Document Number 9704685; as amended by First Amendment to the Declaration of Condominium recorded March 27, 1997, as Document Number 97214952, the Second Amendment to the Declaration of Condominium recorded May 21, 1997 as Document Number 97361429, the Third Amendment of the Declaration of Condominium recorded June 6, 1997 as Document Number 97403215, the Fourth Amendment to the Declaration of Condominium recorded August 13, 1997 as Document Number 97591851 and the Fifth Amendment to the Declaration of Condominium recorded August 29, 1997 as Document Number 97638771, as amended from time to time.
- (g) "Lease" shall mean the Lease Agreement of even date herewith between the Authority and the Owner, pursuant to which the Authority has leased the Leased Premises from the Owner. The Lease contains a covenant running with the land obligating the Authority and Owner and any successors in title of either of them, to maintain and operate the Authority Units in compliance with all applicable requirements of the Act, the ACC and this Agreement during the period required by law.
- (h) "Leased Premises" shall mean collectively the sixteen (16) residential condominium units set forth in the Lease, together with their percentage ownership interest in the Common Elements appurtenant thereto as defined in the Condominium Declaration
- (i) "Management Agreement" shall mean a Management Agreement entered into from time to time between the Owner and the applicable Manager for the management of all or any portion of the Leased Premises.
- (j) "Manager" shall mean the person designated from time to time as "Manager" of the Leased Premises under any Management Agreement entered into from time to time with Owner. The initial Manager shall be William Moorhead & Associates and any subsequent Manager shall be chosen by Owner and shall be experienced in managing subsidized housing units.
- (k) "Project" shall mean that certain project commonly known as The Homes of Mohawk North together with all Improvements and any other improvements now or hereafter located thereon and all rights, easements licenses, privileges and appurtenances thereunto attaching or in any way belonging thereto.
- (l) "Public Housing Eligible Household" shall mean tenants who qualify as being eligible to occupy "public housing," as defined in Section 3(b) of the Act.
- (m) "Public Housing Units" shall mean the residential units constituting the Leased Premises, which shall be restricted during the Restricted Period (as defined in Section 1.1 of the Lease Agreement) for use solely by Public Housing Eligible Households in accordance with Section 3.3 of the Lease.
- (n) "Rent" shall be defined in Section 4.1 of the Lease.

- (o) "Revitalization Plan" means the Revitalization Plan as defined in the HOPE VI Grant Agreement, as revised, amended or supplemented (with HUD's approval as necessary, or as may be required by HUD) from time to time.
- (p) "Tenant(s)" shall mean any tenant, sublessee or licensee of the Authority under any Tenant lease(s).

2. Public Housing Units.

During the term of this Agreement, but subject to Section 6 hereof, Owner will continuously set aside the Leased Premises for occupancy by Public Housing-Eligible Households at rents and subject to all other conditions of the Act and the ACC. Provided that the Owner continues operating the Leased Premises as Public Housing Units in accordance with the Act and the ACC, and in accordance with the terms of this Agreement, such units shall be eligible to receive the benefits of operating subsidies provided to the Authority by HUD pursuant to Section 9 of the Act or pursuant to any successor legislation providing for project-based or tenant-based operating or rental assistance in respect of units in public housing developments or eligible occupants.

Consistent with the requirements currently applicable to public housing, a unit shall not lose its status as a Public Housing Unit solely because the income of the Tenant residing therein rises above the applicable public housing income limit; any such unit shall be governed by rules generally applicable to units occupied by over-income tenants in the public housing program (subject to such modifications in lease and occupancy terms as are permitted hereunder). In the event of a Taking or Casualty, the provisions of Article X (Eminent Domain) of the Lease shall control.

3. Operation of Public Housing Units.

(a) Owner shall maintain and operate the Leased Premises in compliance with all applicable requirements of the Act, HUD regulations thereunder, and the regulations and policies of the Authority, and in accordance with the ACC, (including any waivers granted pursuant thereto), the Lease, and this Agreement. In the event of any conflict among the foregoing authorities, the ACC shall control (to the extent permitted by law). Notwithstanding the Owner's agreement to perform substantial obligations and responsibilities with regard to the Leased Premises pursuant hereto, the Authority remains accountable to HUD for performance of such functions under and pursuant to the ACC and must monitor the performance of the Owner and any Manager to assure compliance therewith.

(b) Owner will retain a Manager for the Leased Premises, pursuant to a Management Agreement, which will be subject to approval by the Authority and HUD. The Manager will be responsible to Owner for management of the Leased Premises in accordance with the terms of this Agreement and all applicable requirements referenced in subsection (a) hereof. The Management Agreement will contain appropriate provisions providing access by the Authority, upon request therefor, to books and records maintained by the Manager with respect to the Leased Premises. The Authority agrees that the initial Manager retained by Owner may be an affiliate of the general partners or the general partner of Owner.

(c) The Authority shall perform certain administrative functions in connection with admission of applicants to occupancy of the Public Housing Units, including application intake.

applicant interview and screening, verification procedures, determination of eligibility for admission and qualification for preference, waiting list maintenance and execution of leases, all in accordance with criteria and procedures established by the Authority. Tenant selection shall be conducted in accordance with written objective criteria attached to the Lease as Exhibit D. Such criteria shall (i) be subject to Fair Housing Law Standards, HUD Requirements, the Annual Contributions Contract and any applicable law, rule or regulation, and (ii) not have the effect of precluding Public Housing Eligible Households from occupying the Leased Premises.

(d) Tenant leases executed with respect to the Leased Premises will be on forms proposed by Owner and approved by the Authority, subject to HUD approval, if required, of variations from the requirements of 24 CFR Part 966, Subpart A, as amended or replaced from time to time.

(e) Authority and Owner will establish a Tenant grievance procedure in compliance with the requirements of Section 6 (k) of the Act. Such procedures will provide for informal discussion and settlement of grievances by the Manager and hearing before a hearing officer appointed in accordance with the Authority's grievance procedures. The Authority will seek HUD approval, to the extent required, of variations from the requirements of 24 CFR Part 966, Subpart B, as amended or replaced from time to time.

(4). Operating Subsidy Amount.

(a) As used herein:

(i) "Allowed Development Expenses" shall mean all necessary and reasonable operating expenses of the Project for any period, including:

(A) all ordinary and necessary Common Expenses (as defined in the Condominium Declaration) of the Project, exclusive of utility expenses which are the direct responsibility of the Tenant; and

(B) reserves for replacement and for any other purposes as required by the condominium association established pursuant to the Condominium Declaration.

(ii) "Authority Percentage" shall mean the greater of: (A) the number of Public Housing Units, divided by the total number of condominium units in the Project; or (B) the aggregate percentage interests of the Leased Premises as set forth in the Condominium Declaration.

(iii) "Authority Unit Expenses" shall mean (A) Allowed Development Expenses, multiplied by the Authority Percentage, plus (B) the portion of any payment in lieu of real estate taxes to be paid in respect of the Public Housing Units, if any, made by the Owner and not directly by the Authority, plus (C) amounts payable to Tenants as utility reimbursement (i.e., "negative rent"); plus (D) interior maintenance expenses of the Public Housing Units, including but not limited to, vacant unit preparation for new Tenants, plus (E) management fees payable pursuant to the Management Agreement.

(iv) "Estimated Allowed Development Expenses" and "Estimated Authority Unit Expenses" shall mean the estimated amounts of Allowed Development Expenses and Authority Unit Expenses for any period as such estimated expenses are determined in accordance with subsection (b) hereof.

(b) Not later than 90 days prior to the anticipated date of first availability for occupancy of any unit of the Leased Premises, and not later than 150 days before the first day of any subsequent Authority Fiscal Year, the Owner shall submit to the Authority its proposed operating budget for the following Authority Fiscal Year (or, in the case of the year in which the Commencement Date occurs, the remainder thereof). The operating budget shall project Estimated Allowed Development Expenses and Estimated Authority Unit Expenses subject to the following conditions:

(i) Estimated Allowed Development Expenses shall be as reasonably estimated by the Owner. The Authority may comment upon and propose changes to the Estimated Allowed Development Expenses set forth in the operating budget submitted by the Owner, but the Owner shall not be required to reduce any estimated expense below the Project-wide amount for such expenditure reasonably anticipated by the Owner for the period.

(ii) During each Authority Fiscal Year commencing with the Authority Fiscal Year in which the Commencement Date occurs, and subject to any limitations arising from application of Section 2(e) of the Act, the Authority shall pay to the Owner Estimated Authority Unit Expenses for such period. The Authority shall pay Owner, on the first day of each month of an Authority Fiscal year one-twelfth (1/12) of the Estimated Authority Unit Expenses for such Authority Fiscal year. Notwithstanding anything to the contrary contained herein, in no event shall the Authority be obligated to pay to Owner any amounts in excess of the Operating Expense Allowance stipulated in Section 4.2 of the Lease.

5. Authority Reserve.

(a) Owner agrees to establish and maintain from the Rent paid by the Authority an account ("Reserve Account") to cover the cost of major replacements (which are not provided for in Authority Unit Expenses) to any one or more of the residential condominium units comprising the Leased Premises other than replacements to the Common Elements. Owner agrees to make monthly deposits to the Reserve Account in the amount of One Thousand Eight and no/100 Dollars (\$1,008.00) (i.e. \$63.00 for each of the 16 condominium units) commencing on the first day of the month following the Commencement Date and on the first day of each month thereafter during the term of the Lease. The amount of the monthly deposit may be increased or decreased at the direction of HUD from time to time without amending this Agreement. The Reserve Account shall be held by a safe and responsible depository approved by the Authority and shall at all times remain under the joint control of Owner and the Authority. Upon written request by Owner (subject to the Authority's reasonable approval) on a form specified or approved by the Authority detailing the replacement requested, the price of materials and other information reasonably requested by the Authority, the amount so requested shall be disbursed by the depository to Owner for such purpose. In the event that the Reserve Account exceeds Sixty Thousand Four Hundred Eighty and no/100 Dollars (\$60,480.00) (i.e. \$1,008.00 monthly reserve account deposit times twelve (12) months times five (5) years ("Reserve Limit")), the amount in excess of the Reserve Limit shall be paid to the Chicago Metropolitan Housing Development Corporation (CMHDC) to pay any Permitted Accrued Amounts as set forth in the CMHDC Loan documents; provided however, it is understood that the Permitted Accrued Amounts shall not be paid from operating subsidies received by the Authority and paid to Owner pursuant to Section 4.1(a) of the Lease. In the event that there are not any Permitted Accrued Amounts outstanding, the amount in excess of the Reserve Limit shall remain in the Reserve Account and shall not be disbursed to Owner. It is understood that at no time during the term of the Lease shall any Rent or any portion of the Reserve Account be used for any purpose other than to pay Authority Unit

Expenses or for replacements contemplated by the Reserve Account. At the expiration of the term of the Lease, all amounts remaining in the Reserve Account shall be paid to the Authority.

(b) If at any time the Authority shall advise the Owner that, due to diminished appropriations of operating subsidy or similar cause, the Authority will be unable to make payments of operating subsidy in the full amount of the operating subsidy requirement, Owner shall be entitled to institute the remedial steps described in Section 6 (b) hereof, without prejudice to the Owner's additional rights.

6. Public Housing Transformation.

(a) Subject to subsection (b) hereof, nothing contained herein shall prevent or diminish the full application to the Leased Premises of any legislation enacted after the date hereof which provides for the termination of operating subsidies under Section 9 of the Act or of other Federal project-based assistance to public housing developments, including, without limitation, any provision thereof releasing or otherwise modifying occupancy or tenant rent restrictions previously applicable to units such as the Public Housing Units.

(b) It is of the essence of Owner's and the Authority's obligations under this Section (6) that during the term of the Lease, Owner and the Authority will maintain and operate the Leased Premises as Public Housing Units in accordance with all applicable requirements of the Act and the ACC; provided, however, that if operating subsidies or other project based Federal assistance received by the Authority in respect of the Public Housing Units shall be less than the Authority Unit Expenses, the Owner shall not be required to contribute from its own funds any short fall in such Federal funding in order to preserve the character of the Leased Premises as Public Housing Units. In the event that legislative changes or diminished appropriations significantly reduce the amount of operating subsidy provided by HUD to the Authority under Section 9 of the Act as in effect on the date hereof, the Authority shall remain obligated to pay Rent (subject to the limitations set forth in Section 4.2 of the Lease Agreement) to Owner in accordance with Section 4 hereof and Owner shall continue to maintain and operate the Public Housing Units as public housing; provided, however, that if the aggregate of tenant rental contributions payable by occupants of such units (including, without limitation, operating subsidy, other project-based or tenant-based operating or rental assistance, withdrawals from the Authority Reserve, or other contributions by or on behalf of the Authority or with respect to the Authority Units) are less than the Authority Unit Expenses, Owner may take all further actions necessary to increase the income from the Leased Premises, including, without limitation, increases in rental payments from Tenants and operating a portion of the Leased Premises as market-rate units to the extent necessary so that income from the Leased Premises in the aggregate, shall not be less than (but not substantially more than) the Authority Unit Expenses, provided however, that any such actions must be consistent with the Act, as amended from time to time. If, subsequent to institution of remedial steps described above, the Authority shall reasonably demonstrate a capacity and commitment to provide assistance sufficient to support operation of the Leased Premises as Public Housing Units prior to such action, the obligation of the Owner to maintain the Leased Premises as Public Housing Units in accordance with the terms of the Lease shall be reinstated, subject to continuing rights under law of existing Tenants.

7. Financial Statements and Reports: Remedies in Event of Deficit Operations: Annual Reconciliation.

(a) Not later than 60 days after the end of each quarterly period commencing with the calendar quarter in which first occupancy of the Leased Premises occurs, Owner shall deliver

to the Authority, with respect to the Leased Premises, itemized statements of income and expenses, prepared on an accrual basis, in form substantially comparable to Form HUD-92410 (Statement of Profit and Loss), certified by the chief financial officer of the Owner, for the quarterly period and from the beginning of the Lease Year to the end of such quarterly period.

(b) Not later than 120 days after the end of each lease year, Owner shall deliver to the Authority and, on behalf of the Authority, to HUD a copy of the audited financial statements of Owner for such year and the period then ended, prepared in accordance with generally accepted accounting principles and accompanied by the report of independent public accountants thereon, together with a copy of any additional financial statements or reports delivered by Owner to its partners. Such financial statements shall be accompanied by supplemental data, together with the report of independent public accountants thereon, which shall show on a cash basis for such period (i) actual income from the Leased Premises, (ii) actual expenditures for Authority Unit Expenses, (iii) the amount of Rent, (iv) the balance of the Authority Reserve at the end of the period, and (v) aggregate stated lease Rents and the amounts thereof uncollected from the Leased Premises for which no eviction actions have been commenced.

(8) Non-Discrimination and Other Federal Requirements.

Owner will comply with all applicable requirements of the following, as the same may be amended from time to time. In the event that any rejected applicant for housing units covered by this Agreement is rejected because of the preferences provided in Paragraphs 1 and 2 of Exhibit D to the Lease (collectively "Cabrini HOPE VI and Preferences"), institutes a lawsuit challenging the Cabrini HOPE VI Priority and Preferences as violative of any of the laws listed in this Paragraph 8, the Authority agrees, subject to all federal laws, regulations and HUD litigation requirements, (including reasonable attorney's fees), to defend and hold harmless Owner solely for those claims provided that (i) the Owner notifies the Authority in writing of such lawsuit immediately upon the initiation of a claim against the owner; and (ii) the Authority reserves the right to participate in the defense of any suit related to those claims.

- (i) The Fair Housing Act, 42 U.S.C. 3601-19, and regulations issued thereunder, 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued thereunder, 24 CFR Part 107; the fair housing poster regulations, 24 CFR Part 110, and advertising guidelines, 24 CFR Part 109.
 - (ii) Title VI of the Civil Rights Act of 1964, 42 U. S. C. 2000d, and regulations issued thereunder relating to non-discrimination in housing, 24 CFR Part 1.
 - (iii) Age Discrimination Act of 1975, 42 U. S. C. 6101-07, and regulations issued thereunder, 24 CFR Part 146.
 - (iv) Section 504 of the Rehabilitation Act of 1973, 29 U. S. C. 794, and regulations issued thereunder, 24 CFR Part 8; the Americans with Disabilities Act, 42 U. S. C. 12181-89, and regulations issued thereunder, 28 CFR Part 36.
 - (v) Section 3 of the Housing and Urban Development Act of 1968, 12 U. S. C. 1701u, and its implementing regulations at 24 CFR Part 135.
- (9) Owner Default and Remedies.

(a) Owner shall be in default of this Agreement if Owner fails to perform any provision of this Agreement that it is obligated to perform and if the failure to perform is not cured within thirty (30) days after written notice of the default has been given to Owner provided that such thirty (30) day period shall be extended if the default cannot reasonably be cured within such thirty (30) day period so long as Owner promptly commences the curing of any default and thereafter diligently and in good faith continues to cure the default until completion, provided the same is capable of being cured by Owner.

(b) If Owner shall have failed to cure a default under Section 9(a) after expiration of the applicable time for cure of a particular default, the Authority at its election and as its sole and exclusive remedies, but without obligation therefor (i) may seek specific performance of any obligation of Owner, or (ii) from time to time without releasing Owner in whole or in part from the obligations to be performed by Owner hereunder, may cure the default at Owner's cost and may offset any costs so incurred against any indebtedness owed by the Authority to Owner. Any reasonable costs incurred by the Authority in order to cure such a default by Owner shall be due immediately from Owner, together with interest at the Delinquency Rate (as defined in Section 1 of the Lease).

10. Miscellaneous.

(a) This Agreement shall continue in full force and effect during the entire term of the Lease.

(b) This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their heirs, successors, administrators, executors and permitted assigns.

(c) Except as provided in this Section 10, and subject to the approval of HUD and all statutory and regulatory requirements applicable to the transfer of the Public Housing Units and the Lease, Owner shall have no right to transfer any legal or beneficial interest in Owner's Estate or any interest of a managing member, general partner or controlling stockholder ("Controlling Interest") in Owner or a Controlling Interest in any entity which has a Controlling Interest in Owner without first obtaining (i) HUD's written approval, (ii) the Authority's written consent, (iii) the transferee's assumption of the obligations of Owner hereunder pursuant to an instrument reasonably acceptable to HUD and the Authority and (iv) the City's consent to such transfer. Notwithstanding the foregoing, HUD and the Authority acknowledge that they will not unreasonably withhold, delay or condition a request by Owner for HUD's and the Authority's consent to an internal reorganization of the corporate or partnership (or limited liability company, if applicable) structure of Owner or any of the general partners of Owner.

(d) Upon the granting of any consent by the Authority with respect to a transfer by Owner as provided in Section 10(c) hereof, the Lease shall be binding upon and shall inure to the benefit of Owner and the Authority and their respective heirs, successors, assigns, legal representatives, leasehold mortgagees, Tenants and other transferees, and, upon assumption by the assignee of all of the rights and obligations of the assignor under the Lease, the assignor shall be released from any liability hereunder accruing from and after the date of such transfer. Upon request of the assignor, the Authority shall execute and deliver to the assignor a release agreement in a form reasonably acceptable to the Authority and the assignor to evidence such release.

(e) No delay or omission by either party in exercising any right or remedy hereunder shall impair any such right or remedy available or constitute a waiver thereof in the event of any

subsequent occasion giving rise to such right or availability or remedy, whether of a similar or dissimilar nature.

(f) This Agreement shall not be modified or amended in any respect, except by written instrument specifically referencing such a modification or amendment which is executed by or on behalf of the parties in the same manner as this Agreement is executed.

(g) Any notice or other communication given or made pursuant to this Agreement shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) telecopied, (iii) sent by overnight express delivery, or (iv) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

If to Authority, to: Executive Director
Chicago Housing Authority
626 West Jackson Boulevard
Chicago, Illinois 60661

and a copy to: General Counsel
Chicago Housing Authority
200 West Adams
Chicago, Illinois 60606

and a copy to: U.S. Department of Housing & Urban
Development
451 7th Street, S.W.
Room 4142
Washington, D.C.
ATTN: Deputy Assistant Secretary
Office of Distressed and Troubled
Housing

If to Owner, to: RSD, L.P.
c/o Mr. Allison S. Davis
54 West Hubbard
Suite 205
Chicago, Illinois 60610

and a copy to: John J. George, Esq.
20 South Clark Street
Suite 400
Chicago, Illinois 60603

If to CMHDC, to: Rafael Leon

200 West Adams
Suite 2103
Chicago, Illinois 60606

and a copy to:


Laura G. Hassan
RUDNICK & WOLFE
203 North LaSalle
Chicago, Illinois 60601

All such notices and other communications shall be deemed given on the date of personal or legal courier delivery, telecopy transmission, delivery to overnight courier or express delivery services, or deposit in the United States Mail, and shall be deemed to have been received (i) in the case of personal or local courier delivery, on the date of such delivery, (ii) in the case of telecopy, upon receipt of electronic confirmation thereof, (iii) in the case of deliver by overnight courier or express delivery service, on the date following dispatch, and (iv) in the case of mailing, on the date specified in the return receipt therefor.

(h) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed therein.

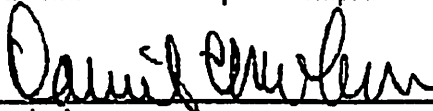
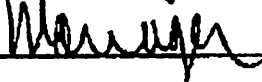
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CHICAGO HOUSING AUTHORITY

By: 
ED MOSES
Deputy Executive Director

MCL/ASD LIMITED LIABILITY COMPANY III,
an Illinois limited liability company

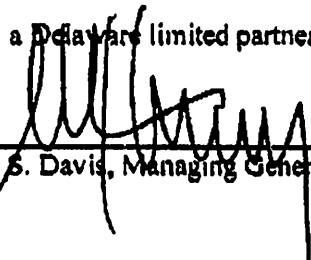
By: Lincoln Park Development Associates, L.P.,
an Illinois limited partnership, a manager

By: 
Its: 

By: OLD TOWN MOHAWK CRA, LLC

BY: 
Karen MacAdam, Manager

By: RSD, L.P., a Delaware limited partnership, a manager

By: 
Allison S. Davis, Managing General Partner

APPROVED:

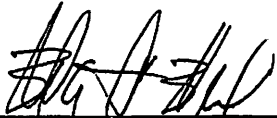
THE SECRETARY OF HOUSING AND
URBAN DEVELOPMENT

By: 

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

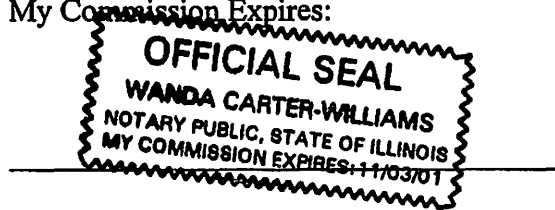
I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Ed Moses, personally known to me to be the Deputy Executive Director of Chicago Housing Authority (the "Purchaser"), and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Deputy Executive Director, he signed and delivered the said instrument pursuant to authority given by the Chicago Housing Authority and as his free and voluntary act, and as the free and voluntary act and deed of the Purchaser for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30th day of July, 1998.



NOTARY PUBLIC

My Commission Expires:



STATE OF ILLINOIS

)

SS.

COUNTY OF COOK

)

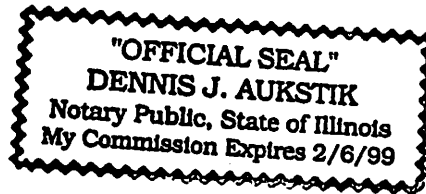
I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Daniel E. McLean, personally known to me to be the President of Lincoln Park Associates, Inc., an Illinois corporation, the general partner of Lincoln Park Development Associates, an Illinois limited partnership (a "Manager") of MCL/ASD Limited Liability Company III, an Illinois limited liability company (the "Assignor"), and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Manager, he signed and delivered the said instrument pursuant to authority given by the Members and as his free and voluntary act, and as the free and voluntary act and deed of the Assignor for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30 day of July, 1998.

Notary Public

My Commission Expires:

02/06/99



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

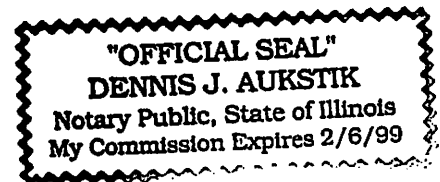
I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Allison S. Davis, personally known to me to be the Managing General Partner of RSD, L.P., a Delaware limited partnership (a "Manager") of MCL/ASD Limited Liability Company II, (the "^{Owner}Assigner"), and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Manager, he signed and delivered the said instrument pursuant to authority given by the Members and as his free and voluntary act, and as the free and voluntary act and deed of the Mortgagor for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30 day of July, 1998.

Dennis J. Aukstik
Notary Public

My Commission Expires:

02/06/99



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 Karen MacAdam, personally known to me to be the Manager of Old Town Mohawk CHA, LLC (a "Manager") of MCL/ASD Limited Liability Company II (the "Assignor"), and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Manager, she signed and delivered the said instrument pursuant to authority given by the Members and as her free and voluntary act, and as the free and voluntary act and deed of the Assignor for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30 day of July, 1998.

Dennis J. Aukstik
Notary Public

My Commission Expires:

02/06/99

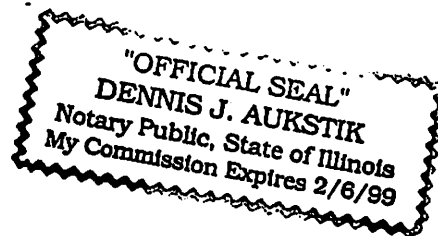


EXHIBIT A

Units A47, A46, A45, B42, C41, B40, B39, C37, B36, A34, A33, C32, B31, C30, A28 and B27 in The Homes of Mohawk North Condominium as delineated on a survey of the following parcel of real estate:

Lots 2 to 22, both inclusive, in Mohawk North Subdivision, being a Subdivision in the Northeast 1/4 of the Northwest 1/4 of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, which survey is attached as Exhibit "A" to the Declaration of Condominium recorded January 22, 1997 as Document Number 97046857, the First Amendment to the Declaration of Condominium recorded March 27, 1997 as Document Number 97214952, the Second Amendment to the Declaration of Condominium recorded May 21, 1997 as Document Number 97361429, the Third Amendment to the Declaration of Condominium recorded June 6, 1997 as Document Number 97403215 and the Fourth Amendment to the Declaration of Condominium recorded August 13, 1997 as Document Number 97591851, and the Fifth Amendment to the Declaration of Condominium recorded August 29, 1997 as Document Number 97638771, and as amended from time to time, together with its undivided percentage interest in the common elements.