

Public Notice

In accordance with the Statutes of the State of Illinois and the Ordinances of the City of Highland Park, a **Regular Meeting** of the City of Highland Park Housing Commission, the Peers Housing Association, Walnut Housing Association, Ravinia Housing Association and Sunset Woods Association will be held at the hour of **6:30 P.M. on Wednesday, March 2, 2016 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois**. The Meeting will be held in the **Pre-Session Room** on the second floor.

City of Highland Park
Housing Commission
Wednesday, March 2, 2016, at 6:30 p.m.

AGENDA

- I. **Call to order**
- II. **Roll Call**
- III. **Business from the Public (Citizens Wishing to Be Heard Regarding Items not Listed on the Agenda)**
- IV. **Approval of Minutes** – February 3, 2016
- V. **Scheduled Business**
 1. Consideration of Grant Application to Affordable Housing Trust Fund from Community Partners for Affordable Housing for \$202,500 for three scattered site homes (\$67,500 per unit)
 2. Discussion and Consideration of Request for Subordination of Housing Commission's Affordable Housing Rehabilitation Program Loan from the Affordable Housing Trust Fund for \$15,000
 3. Items for Omnibus Vote Consideration
 - Payment of Invoices: None at present
 4. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
 - Management Report including financial statements
 - Consideration of Management Agreement Extensions with Evergreen Real Estate Services for Peers, Ravinia, and Walnut Place from July 1, 2016 to June 30, 2018
 - Consideration of proposal to purchase laundry equipment for Peers Housing
 - Update on Property Tax Exemption analysis
 - Update on the Peers window and air conditioning project
 - Sunset Woods
 5. Update on development proposals

***Housing Commission Agenda
March 2, 2016***

VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Personnel Matters

VII. Other Business

VIII. Adjournment

Posted at City Hall on Friday February 26, 2016 before 5:00 p.m.

DRAFT

**MINUTES OF A REGULAR MEETING OF THE
HOUSING COMMISSION OF THE CITY OF HIGHLAND PARK, ILLINOIS**

MEETING DATE: Wednesday February 3, 2016

MEETING LOCATION: Pre-Session Room, City Hall,
1707 St. Johns Avenue, Highland Park, IL

CALL TO ORDER

At 6:30 p.m., Chair Adler called to order the regular meeting of the Highland Park Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association. Each of the Commissioners also serves as Directors of each of the Housing Associations. The Chair asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Elder, Meek, Oldham, Ross, and Saret

Commissioners Absent: Kaltman

Student Representatives Present: Powell and Foster

Chair Adler declared that there was a quorum.

Council Liaison Present: Holleman

Staff Liaisons Present: Planner M. Smith and Planner L. Smith

BUSINESS FROM THE PUBLIC (Citizens Wishing to be Heard Regarding Items not Listed on the Agenda)

There was no business from the public on items not listed on the Agenda.

APPROVAL OF MINUTES

Regular Meetings December 2, 2015 and January 6, 2016

Commissioner Meek pointed out a correction needed for the January 6th Meeting: the Minutes referred in one place to “Chair Meek” rather than “Chair Adler.” Chair Adler also pointed out a revision for the January 6th Meeting. For the discussion on laundry services, he said it would be more accurate to say that he suggested evaluating ending the relationship with the current vendor rather than recommending it.

Commissioner Meek moved approval of the minutes of the regular meeting of the Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association held on December 2, 2015 and of the Minutes for January 6, 2016 with the two revisions. Commissioner Elder seconded the motion.

On a voice vote, Chair Adler declared that the motion passed unanimously.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration

Payment of Invoices:

Full Circle Architects Invoice #5250 for preparing bid package documents for the Peers project for \$1,350.00.

Chair Adler entertained a motion to approve payment of Full Circle Architects' Invoice #5250 for preparing bid package documents for the Peers project for \$1,350.00. Commissioner Meek moved approval of the payment to Full Circle Architects for Invoice #5250 for preparing bid package documents for the Peers project for \$1,350.00. Commissioner Elder seconded the motion.

On a voice vote, Chair Adler declared that the motion passed unanimously.

2. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods Management Report including financial statements

Planner M. Smith talked about the repairs for the burst pipe at Peers due to a resident turning off the heat when leaving town. Evergreen staff estimates that the repairs will total about \$6,000. Evergreen staff does not plan to file an insurance claim given that the deductible is \$5,000, and a claim likely would lead to higher insurance rates. Evergreen staff sent a reminder letter to all residents about the need to keep the heat on during the winter and that turning it off is a lease violation. The Commissioners discussed additional ways to remind residents, including posting signs at the buildings and including notices in the monthly billing statements. Planner M. Smith said that she would communicate their recommendations to Evergreen staff.

With regard to laundry services at Peers and Walnut Place, an outside vendor provides the machines and receives half the revenue. Evergreen Regional Supervisor Brent Norvik is collecting information on the cost of purchasing machines and will have a report for the Commissioners by the March Meeting. The Commissioners asked Planner M. Smith to find out how much each cycle of washing and drying costs.

Consideration of Management Agreement Extensions with Evergreen Real Estate Services for Peers, Ravinia, and Walnut Place from July 1, 2016 to June 30, 2018

This item was postponed and will be considered at the March 2nd Commission Meeting.

Update on Property Tax Exemption analysis

Planner M. Smith reported that Hart Passman of Holland & Knight is exploring how to obtain property tax exemptions for the Commission properties. His preliminary opinion is that the Commission may be able to obtain them based on the Housing Commission's organization in the City's Housing Commission Ordinance that establishes the Housing Commission as a housing authority. Illinois statutes exempt housing authorities from payment of property taxes. Mr. Passman sent her a list of documents needed for him to pursue this path. This legal work is covered under the City's retainer.

Update on the Peers window and air conditioning project

Planner M. Smith said that architect Dan Baigelman sent her most of the bid package for review.

Consideration of Banking Resolutions to change signatories at First Bank of Highland Park and Highland Park Bank

Because of the change in officers and Planner Lee Smith's retirement, the Housing Associations need to revise the signatories on their accounts with Highland Park Bank and First Bank of Highland Park. Lake Forest Bank & Trust is the parent bank of Highland Park Bank. The Commissioners considered the corporate resolutions from the two banks acting in their capacity as the Board of Directors for the four Housing Associations. Director Meek will remain as a signatory and President Adler and Vice President Ross will be added, while Planner Lee Smith will be removed. The Boards of Directors for the four Associations also agreed that Planner M. Smith should be a signatory. In the case of all accounts, any payment over \$500.00 will require two signatures. Planner M. Smith informed the Boards that both banks told her that they no longer could enforce any requirements for two signatures. The Commissioners, however, agreed that the Housing Associations and City staff would continue to require two signatures for payments over \$500.00.

After discussion, President Adler of the Sunset Woods Association (SWA) entertained a motion to approve the Corporate Authorization Resolution of First Bank of Highland Park, granting the exercise of all of the powers listed in this Resolution to President Adler, Vice President Ross, and Planner Mary C. Smith, while removing Planner Lee Smith. The SWA, moreover, requires that two signatures are required for payments and transactions over \$500 with the exceptions of deposits to the accounts and transferring funds between the accounts at this bank. Director Elder moved approval of the Corporate Authorization Resolution of First Bank of Highland Park, granting the exercise of all of the powers listed in this Resolution to President Adler, Vice President Ross, and Planner Mary C. Smith, while removing Planner Lee Smith. The SWA, moreover, requires that two signatures are required for payments and transactions over \$500 with the exceptions of deposits to the accounts and transferring funds between the accounts at this bank. Director Meek seconded the motion.

On a voice vote, SWA President Adler declared that the motion passed unanimously.

President Adler of the Peers Housing Association (PHA), the Walnut Place Association (WPA), and the Ravinia Housing Association (RHA) entertained a motion to approve the Resolutions of Corporation of the Lake Forest Bank & Trust Company for each of these three Housing Associations, granting the exercise of all the powers listed in the Resolutions for each of the three Associations to President Adler, Vice President Ross, and Planner Mary C. Smith, while removing Planner Lee Smith. The PHA, WPA, and RHA, moreover, require that two signatures are required for payments and transactions over \$500 with the exceptions of deposits to the accounts and transferring funds within each Housing Association's accounts at this bank. Director Elder moved approval of the Resolutions of Corporation of the Lake Forest Bank & Trust Company for each of the three Housing Associations, granting the exercise of all the powers listed in the Resolutions for each of the three Associations to President Adler, Vice President Ross, and Planner Mary C. Smith, while removing Planner Lee Smith. The PHA, WPA, and RHA, moreover, require that two signatures are required for payments and transactions over \$500 with the exceptions of deposits to the accounts and transferring funds within each Housing Association's accounts at this bank. Director Meek seconded the motion.

On a voice vote, SWA President Adler declared that the motion passed unanimously.

Sunset Woods

Planner M. Smith reported that their management company, Housing Opportunity Development Corporation (HODC), continues to monitor the progress of the renter who received the lease violation notice. The renter has improved the maintenance of the apartment. Planner M. Smith had photos available for the Commissioners from HODC staff that showed the improvement.

3. Update on development proposals

Planner L. Smith reported that the City Council would be considering the Development Agreement for the McGovern Flats development at an upcoming meeting. The Heritage, a 12-unit single-family development on Lake Cook Road, would be before the City Council for consideration of final approval in March. The developer selected paying the fee-in-lieu payment for 2.4 units rather than building the affordable units, which would be a \$300,000 payment to the Affordable Housing Trust Fund. With regard to Oakwood Station, the Plan and Design Commission (PDC) voted against rezoning the area from RM1 to RM2, but supported the project overall. This recommendation to City Council would allow for the City Council to consider the entire project if they decide to reject the PDC's recommendation to deny the zoning change and instead approve the rezoning for the proposed development. Without this support from the PDC, the City Council would send the project back to the PDC for consideration of other aspects of the proposed development in the event that the City Council approves the zoning change. The City Council is likely to consider the Oakwood Station proposal at their first meeting in March.

EXECUTIVE SESSION

There was no Executive Session.

OTHER BUSINESS

The Commissioners thanked Planner Lee Smith for his 18 years of service to the City's affordable housing programs. Among his many accomplishments, he developed the concept for the affordable housing demolition tax.

The Commissioners also reviewed how Community Partners for Affordable Housing (CPAH) assists with the administration of the City's Inclusionary Housing program. CPAH provides such services as maintaining a waiting list and qualifying buyers and renters. The Commission's operating grant to CPAH supports these activities.

ADJOURNMENT

Chair Adler entertained a motion to adjourn the meeting. Commissioner Ross moved to adjourn. Commissioner Meek seconded the motion.

On a voice vote, Chair Adler declared that the motion passed unanimously.

The Housing Commission adjourned its meeting at 8:00 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner

Memorandum

Date: February 25, 2016

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

Subject: Consideration of Grant Application to Affordable Housing Trust Fund from Community Partners for Affordable Housing for \$202,500

The attached Grant Application from Community Partners for Affordable Housing (CPAH) for three scattered site homes reflects the 2016 Housing Trust Fund budget that the Commission approved at the August 5, 2015 Meeting. For your information, the 2016 Housing Trust Fund budget, which includes a comparison to the 2015 budget is below:

SERVICE	FY15 Request	FY15 Estimated Expenditures	FY16 Request	NOTES
ACTIVITIES PROGRAMMING COSTS	\$643,500	\$609,500	\$331,000	
Employer-Assisted Housing	\$20,000	\$4,500	\$20,000	
CPAH Scattered Site Program	\$515,000	\$515,000	\$202,500	For FY16, this grant is for 3 scattered site units with HTF contribution at \$67,500 per unit.
CPAH Operating Grant	\$85,000	\$80,000	\$85,000	
Emergency Housing Assistance	\$10,000	\$10,000	\$10,000	
Reimbursement of Demolition Tax per Development Agreement Laurel Court II	\$13,500	\$0	\$13,500	
Third Party Consulting	\$0	\$0	\$0	



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CPAH is a tax-exempt,
501(c)(3) nonprofit
charitable organization.
Tax ID# 06-1683983

February 18, 2016

Highland Park Housing Commission
Attn: Charles Adler, Chair
1150 Half Day Road
Highland Park, IL 60035

Re: FY2016 Scattered Site Housing Application

Dear Chairman Adler,

Please find the attached application requesting \$202,500 (\$67,500 per unit) from the Highland Park Housing Trust fund in order to add three more units to Highland Park's inventory of permanently affordable housing.

As you know, CPAH works diligently to keep its costs down and leverage additional dollars wherever possible in order to extend the impact of limited Housing Trust Fund dollars. CPAH plans to use these funds to leverage an additional \$337,500 of Lake Count HOME funds (\$142,500 of which is already secured).

Thank you for your consideration of this proposal. We look forward to continuing our partnership with the Housing Commission, the City of Highland Park and the Community Development Department to address Highland Park's affordable housing needs.

Please don't hesitate to contact me with any questions.

Sincerely,

Kim Ulbrich
Executive Director



APPLICATION SUMMARY

Applicant Name: **Community Partners for Affordable Housing (CPAH)**
 Proposal Name: **CPAH Preservation Program (Scattered-Site Homes) FY2016**
 Applicant Address: **400 Central Avenue, #111, Highland Park, IL 60035**
 Contact Name: **Kim Ulbrich**
 Phone: **(847) 681 - 8746** Fax: **(847) 681 - 8846** Email: **kulbrich@cpahousing.org**
 DUNS: **831940940**

TOTAL PROPOSAL COST:	\$958,500	
APPLICANT MATCH:	\$741,000	% of Proposal 77 %
Highland Park Housing Trust Fund Request:	\$202,500	% of Proposal 21 %

Total Number of Units	<u>3</u>
Number of Low Income Units/Households (≤80% AMI)	<u>3</u>
% of Low-Income Units/Households (≤80% AMI)	<u>100%</u>
Total Estimated Cost Per Unit	<u>\$319,500</u>
Total Highland Park Housing Trust Fund Cost Per Unit (Net)	<u>\$67,500</u>

CPAH History & Overview:

In the latter part of the 1990s, the City of Highland Park embarked on a master planning process to update the City’s comprehensive Master Plan. As the master planning process continued, there was increasing concern from the community about the lack of affordable housing and its negative impact on the City’s tradition of inclusiveness. Based on a joint recommendation of the City’s Human Relations, Housing, Planning and Historic Preservation Commissions, the City Council directed the Housing Commission to prepare an affordable housing plan to be incorporated in the City’s Master Plan. The City Council adopted the following goals to guide the process:

- To preserve, maintain, and promote housing of high quality that reflects the community's commitment to cultural and economic diversity.
- To maintain and increase diversity in housing styles, sizes, types, densities, and prices or rents in order to welcome a wider array of families and individuals into the community.
- To provide affordable housing that is an integral part of neighborhoods throughout the community.

Based on direction from the City Council and extensive research on best practice affordable housing models nationwide, the Housing Commission worked with the University of Illinois at Chicago's Natalie Voorhees Center and the Great Cities Institute to develop an affordable housing plan. The plan recommended the creation of a Community Land Trust (CLT). In May 2002, the City Council appointed a Task Force assisted by Burlington Associates, a national consulting firm whose partners have been instrumental in developing CLTs. As a result, CPAH (then known as the Highland Park Illinois Community Land Trust) was created by the Housing Commission as an independent, nonprofit 501(C)(3) CLT.

Since then, CPAH and the City of Highland Park have been upheld as a model regionally and even nationally. The partnership has been recognized by the Urban Land Institute, the National Housing Conference, and the Lincoln Institute of Land Policy, among others, and Highland Park continues to be at the forefront of affordable housing. In a continued effort to reflect best practice models, CPAH now also collaborates with other communities in the region to share a common infrastructure, create economies of scale and provide more effective, efficient and sustainable affordable housing services.

The second component of the City's affordable housing plan was the creation of the Affordable Housing Trust Fund to help support CPAH's affordable housing activities. As you know, the Housing Trust Fund is administered by the Housing Commission and CPAH submits applications, such as this one, to the Housing Commission to help fund affordable housing projects and operating activities. The following proposal is a request for \$202,500 to develop three new affordable ownership units.

Community Land Trust Model:

The CLT model of affordable housing creates housing opportunities that will remain affordable in perpetuity. Through its homeownership program, CPAH acquires existing properties, conducts necessary rehabilitation work in order to minimize ongoing maintenance and operational costs, and then sells the homes only to low-income households at an affordable price. CPAH retains ownership of the underlying land and leases the land to the homebuyer for a nominal fee (\$25 per month) via a 99-year, renewable ground lease. The purchase price for the homebuyer is typically 40% - 65% below the market value because, in essence, the homebuyer needs to buy only the home, not the land. If the homebuyer later wants to sell their home, it is sold to another low-income buyer or back to CPAH at a formula price designed to give the homeowner a fair share of appreciation, while still keeping the home affordable for the next buyer. The resale restrictions maximize the cost-effectiveness of public and private investment because the homes are not only affordable to the first buyer, but will forever

remain affordable for succeeding generations of homebuyers. CPAH also conducts some new construction activities, although it primarily works to preserve the existing housing stock.

Overall, the CLT model has rapidly gained momentum as one of the most cost-effective and sustainable models of developing and preserving long-term affordable housing. With the recent foreclosure crisis, the CLT model has been receiving national accolades for its low foreclosure rates – estimated to be 30 times lower than the national average because of its screening protocols, homebuyer counseling, relationships with lenders and ongoing land stewardship and support to homebuyers. CPAH is the first CLT in Illinois and is the only provider of affordable housing in Lake County that is intentionally structured to ensure its housing remains affordable in perpetuity.

Community Benefits:

CPAH helps bridge the gap between the high cost of housing and the incomes of many low-income households who live and work in the community – healthcare workers, retail staff, childcare providers, seniors, municipal employees, school workers, nonprofit staff, persons with disabilities, families struggling with the loss of a spouse or other personal or economic crisis, and many other community members who struggle to meet their basic human need of housing. CPAH benefits the community by providing housing opportunities for low-income households; promoting cultural and economic diversity; rehabilitating problem or blighted properties in the community; creating valuable workforce housing; preserving the community's existing housing stock; developing an inventory of permanently affordable housing for future generations; promoting live-near-work housing; helping communities comply with the Illinois Affordable Housing Planning and Appeals Act; and maximizing the cost-effectiveness of public and private investment for long-term community benefit. CPAH makes a permanent impact in the community with a one-time investment.

Project Description:

CPAH will acquire, rehabilitate and sell 3 homes via its scattered-site CLT program in Highland Park. Homes will be 2-3 bedroom single-family homes, townhomes or condominium units. Two of the units will be reserved for households earning less than 80% AMI (HOME units) and one unit will be reserved for households earning less than 100% AMI (LCAHP funds). CPAH's CLT Program addresses need to develop affordable housing in a geographic priority area (near employment and transit centers). By using the CLT model, CPAH not only expands the supply of affordable homeownership units, but it also maximizes the cost-effectiveness of grant funds because the homes will remain affordable in perpetuity as a community asset to address the communities' current and future affordable housing needs. With an average home sale occurring every seven years, CPAH's 56 units in Highland Park will assist over 725 households in the years to come.

Target Population:

CPAH intends to use Highland Park Housing Trust Fund dollars (\$202,500) to leverage \$337,500 in Lake County HOME funds and sales proceeds, as well as other funding for the project. Due to Lake County HOME restrictions, all homebuyers will be required to have household income of less than 80% of the Area Median Income (AMI), or approximately \$60,800 for a four-person household. The primary target populations are those who are low income and currently rent, regional workers who can not afford to live in the area, single-parent households, large families, households faced with the death of a wage-earner, families going through a divorce, persons with disabilities, and families in danger of losing their housing due to other personal or economic hardships. CPAH makes every effort to match household size with the size of each unit in order to ensure that homes are not underutilized. Most of CPAH's homes have at least three bedrooms in order to accommodate large families. CPAH residents include, but are not limited to, local retail staff, nonprofit employees, teacher assistants, health care workers, childcare providers, city workers, persons with disabilities and other low wage earners in the public and private sector.

Applicant Selection:

CPAH follows a written resident selection plan and is an Equal Housing Opportunity provider that conducts business in accordance with the U.S. Fair Housing Act, the Illinois Human Rights Act and the City of Highland Park anti-discrimination laws and policies. CPAH maintains one waiting list for its homeownership program and one waiting list for its rental program, although applicants can be added to both lists if desired. **Preference is given to applicants who live or work in Highland Park.**

Supportive Services:

CPAH holds regular orientation sessions throughout the year for persons interested in CPAH's homeownership program. The orientation sessions provide a detailed overview of the CLT model, the resale formula and provide a comparison of traditional homeownership vs. CPAH homeownership. If the applicant is eligible for the homeownership program, CPAH refers them to a participating bank to secure a responsible, 30 year fixed-rate mortgage. If applicants are not eligible for the homeownership program, CPAH often strategizes with them about rebuilding credit (and suggests they obtain credit counselling), building a down payment or overcoming other obstacles preventing them from qualifying for the homeownership program. Many choose to be added to CPAH's rental waiting list as their circumstances are better suited for CPAH's rental program.

Once an applicant purchases or rents a CPAH home, CPAH maintains ongoing relationships with homeowners and tenants to provide support and advocacy, continuing education, collect lease fees, monitor compliance and help participants realize the full benefits of the program and secure long-term housing stability. For example, CPAH holds classes about home maintenance, finances, and other relevant topics that help residents succeed. CPAH also works with local

banks to help residents refinance when it is appropriate and meets CPAH's refinance policy. CPAH administers a revolving loan fund to help homeowners with critical home repairs and administers a matched savings program in partnership with First Bank of Highland Park. CPAH residents often "join the CPAH family" by volunteering their time to work on upcoming CPAH homes, helping with outreach, and participating in CPAH's annual picnic. CPAH's mission is not only to create affordable housing, but also to provide ongoing support to ensure families benefit from long-term housing stability.

Local Priorities:

CPAH's scattered site housing is completely consistent with the goals and priorities of Highland Park's Housing Trust Fund, Master Plan and Affordable Housing Plan as follows: most units are reserved for households earning less than 80% of AMI; units will remain affordable in perpetuity; **priority is given to households who live or work in Highland Park**; the housing benefits households with children; homes are energy efficient; and CPAH has a very successful history of developing affordable housing and managing grant funds.

The project is also consistent with the goals and priorities established in the PY2015-2019 Lake County Consolidated Plan. The project is an ideal match with priority Goal 1.3 – *Low and moderate-income households (including seniors, persons with disabilities, and other special needs populations) will benefit from the construction of new Lake County housing stock through 250 affordable rental or ownership housing units throughout Lake County.* By using the CLT model, CPAH maximizes the cost-effectiveness of grant funds because it is an investment in the community's inventory of permanently affordable housing; the home will forever remain affordable and will be available as a community asset for succeeding generations.

In addition to the Consolidated Plan priority above, CPAH's scattered site housing meets the following funding preferences identified in the PY2016-2019 Lake County Consolidated Plan:

- (1) **Located in close proximity to public transit** –Whenever possible, CPAH acquires sites that are in close proximity to one of Highland Park's three Metra stations, the Ft. Sheridan Metra station, and/or PACE bus routes in order to foster easier access to employment and services. CPAH also encourages live-near work housing by providing a preference to applicants who work in Highland Park. This helps businesses attract and retain employees as well as help alleviate traffic congestion and the environmental impacts associated with long commutes.
- (2) **Incorporates environmental sustainability practices** – CPAH incorporates environmental sustainability practices in both its new construction and rehabilitation work. The U.S. Green Building Council awarded Hyacinth Place as the first LEED Gold certified affordable housing development in the State. The project also received the "2008 Development of the Year" award from the Lake County Storm Water Management Commission for its energy efficiency. CPAH embraces environmentally sustainable design to reduce our carbon footprint, but green technology such as the geo-thermal heating and cooling system used in Hyacinth Place also dramatically lowers

utility costs for moderate and low-income households. CPAH will use, when appropriate, energy star appliances, high-efficiency heating and cooling units, efficient insulation and air sealing, energy efficient windows and doors, recycled materials, efficient lighting, improved ventilation and air quality, low VOC paint and materials, low flow water fixtures and other improvements-

- (3) **Provides housing for larger families** – CPAH makes every effort place applicants in units that are the appropriate size for each family.
- (4) **Encourages and supports the provision of education and counseling** - CPAH maintains ongoing relationships, classes and supports for homebuyers and tenants. CPAH understands its role as not only to increase the supply of affordable housing, but also to provide ongoing support and advocacy to ensure participants realize the full benefits of the program and secure long-term housing stability.
- (5) **Exceeds minimum affordability requirements** – As previously indicated, CPAH uses the CLT model to ensure that homes remain affordable in perpetuity with a one-time subsidy.
- (6) **Project Location Relative to Area Median Income** – The Highland Park median household income is estimated to be over \$110,000, which is over 140% of the median income for Lake County. Lake County has acknowledged that it desires to encourage affordable housing opportunities in traditionally non low-income communities in order to integrate affordable housing throughout the County and avoid the concentration of affordable housing in low-income communities.
- (7) **Demonstrated need for affordable housing** - The Illinois Housing Development Authority (IHDA) identified Highland Park as one of the 68 “non-exempt” communities under the Affordable Housing Planning and Appeals Act, meaning that it is one of 68 communities in Illinois which has less than 10% of its housing stock as affordable. According to the National Low Income Housing Coalition's annual "Out of Reach" report, a minimum-wage worker in Highland Park would have to work 89 hours per week (2.3 full-time jobs) in order to afford a 2 bedroom apartment at fair market rent. For a 3 bedroom unit, if it could be found, that worker would have to work 109 hours (2.7 full-time jobs). CPAH has over 125 households currently on its rental waiting list.

Need:

The lack of affordable housing also makes it difficult for local businesses to hire and retain employees. Prior data from the Illinois Department of Employment Security shows that of some 12,000 people who work for Highland Park businesses, nearly 80% are employed in the service and retail sectors, where the average annual salary in Lake County is below \$35,000. Interviews with public sector employers tell a similar story. Salaries for teacher assistants, nonprofit staff, artists, city employees, health care workers, retail staff and others put housing in the area out of reach. In addition, workers making long commutes add to traffic congestion, have negative

impacts on the environment and are forced to spend more time away from their families on a daily basis. Many families who are faced with the death of a wage-earner, are going through a divorce, or who have disabled household members are pushed out of the community. These trends have made it increasingly difficult, if not impossible, to maintain diverse, healthy, and sustainable communities.

Safe, decent and affordable housing is a basic, unmet need for Highland Park residents and employees. CPAH is one of the few entities addressing this problem in southern Lake County and is the only provider of permanently affordable housing in Lake County.

Capacity & Experience:

To date, CPAH has acquired and rehabilitated 56 units of affordable housing in Highland Park.

Each year CPAH must recertify with Lake County for its CHDO status (Community Housing Development Organization). This is an extensive process to determine capacity of an organization. One of the CHDO requirements is that a third of its board be representatives of the low income community. CPAH has four of its residents serving on the board. CPAH operates the first CLT program in Illinois and has been recognized throughout the region as a model and leader on affordable housing. The organization has built or acquired and rehabilitated nearly 75 units of permanently affordable housing (both homeownership and rental). CPAH has been recognized by the Urban Land Institute, Lincoln Institute and was a featured stop on the National Housing Conference bus tour. CPAH was also the first entity in Illinois to complete a LEED-Gold affordable housing development (Hyacinth Place), which won a “Development of the Year” award, “Good Neighbor Award” and other accolades. CPAH is a mature, successful, Lake County certified Community Housing Development Organization with the proven experience, capacity and intellectual and financial resources in place to meet our shared goal of providing affordable housing and economic opportunities for low income households.

CPAH’s Executive Director, Kim Ulbrich, has significant experience administering federal and local grant funds for affordable housing and homeless programs, including the HOME program. Kim’s experience as project manager for the neighborhood stabilization program, as well as her real estate background, will ensure a successful project. Amy Kaufman, CPAH’s Director of Community Relations and Development, is also extremely capable and handles a significant portion of the organization’s fundraising, marketing and ongoing supportive services to renters and homebuyers. In addition, CPAH has a very talented and experienced Board of Directors. Together with the City of Highland Park, CPAH is at the forefront of affordable housing.

Timeframe (estimated):

CPAH has secured \$142,500 in match funding from the Lake County HOME program for 2 of the HOME units proposed in this application. The County is expected to release the LCAHP grant shortly for the third unit. (That unit will have an income limit of up to 100% AMI). CPAH will acquire and rehabilitate three scattered site units in Highland Park. CPAH will prioritize acquiring foreclosed or blighted properties in order to provide a “double-benefit” of increasing the supply of affordable housing and cleaning up problem properties.

Enter into Acquisition of Contract 1	March 2016
Enter into Acquisition of Contract 2	April 2016
Close on both Properties	May 2016
Begin Rehabilitation	June 2016
Enter into Acquisition of Contract 3	August 2016
Rehabilitation Complete on Houses 1 & 2	October 2016
Close on House # 3	October 2016
Begin Rehabilitation on House # 3	October 2016
Sell House # 1	November 2016
Sell House # 2	December 2016
Rehabilitation Complete on House # 3	January 2017
Sell House # 3	March 2017

Budget:

Item	\$ COST	\$ COST PER UNIT
Purchase of Existing Building	\$723,600	\$241,200
Rehabilitation/Construction	\$198,000	\$66,000
Finance & Carrying	\$19,800	\$6,600
Legal Fees	\$1,200	\$400
Appraisal	\$1,000	\$333
Title & Recording Expenses	\$8,000	\$2,667
Real Estate Taxes (Construction)	\$6,900	\$2,300
Total Project Costs	\$958,500	\$319,500

Funding Sources:

Name of Source 1: First Midwest Bank and Lake Forest Bank & Trust			Phone: (847) 374-5220 / 847-810-5049	
Amount	Interest Rate	Amortization Period	Loan Term	Annual Debt Service
\$700,000	Prime Rate	Years: 30	Years: 1	\$ 712,,000
Status: Ongoing partnership with First Midwest Bank and Lake Forest Bank & Trust to provide bridge loans at prime rate as well as end-financing for homebuyers				

Name of Source 2: City of Highland Park Housing Trust Fund			Phone: (847) 926-1612	
Amount	Interest Rate	Amortization Period	Loan Term	Annual Debt Service
\$202,500	GRANT	Years: NA	Years: NA	\$ NA
Status: Application submitted March 2016				

Name of Source 3: Lake County HOME			Phone: (847) 377-2139	
Amount	Interest Rate	Amortization Period	Loan Term	Annual Debt Service
\$337,500	GRANT%	Years: NA	Years: NA	\$NA
Status: \$142,500 secured through existing grant, \$195,000 to be released within 2016				

Asset Portfolio - Community Partners for Affordable Housing

Address	In Service Date	Ownership or Rental	Housing Type	Income Limits (Chicago MSA AMI)	Household Size
Temple Avenue Townhomes Homeownership					
355 Temple Avenue, HP	9/30/2004	Ownership	Townhome	100%	3
357 Temple Avenue, HP	5/26/2006	Ownership	Townhome	100%	3
359 Temple Avenue, HP	10/12/2004	Ownership	Townhome	100%	4
361 Temple Avenue, HP	9/24/2004	Ownership	Townhome	100%	4
363 Temple Avenue, HP	10/9/2004	Ownership	Townhome	100%	4
365 Temple Avenue, HP	9/29/2004	Ownership	Townhome	100%	4
Hyacinth Place Homeownership					
530 Hyacinth Place, HP	1/8/2009	Ownership	Townhome	120%	2
534 Hyacinth Place, HP	12/24/2008	Ownership	Townhome	80%	4
536 Hyacinth Place, HP	1/22/2009	Ownership	Townhome	80%	4
540 Hyacinth Place, HP	5/22/2009	Ownership	Townhome	120%	2
544 Hyacinth Place, HP	1/15/2009	Ownership	Townhome	120%	3
546 Hyacinth Place, HP	9/3/2009	Ownership	Townhome	120%	4
550 Hyacinth Place, HP	12/24/2008	Ownership	Townhome	120%	3
3510 Western Avenue, HP	1/22/2009	Ownership	Townhome	80%	4
3491 Dato Avenue, HP	5/15/2009	Ownership	Townhome	120%	4
3493 Dato Avenue, HP	1/30/2009	Ownership	Townhome	120%	5
CPAH Scattered Site Homeownership					
967 Burton Avenue, HP	9/1/2005	Ownership	Single fam. home	100%	4
1789 Richfield Avenue, HP	8/11/2011	Ownership	Single fam. home	80%	2
1377 Arbor Avenue, HP	6/17/2009	Ownership	Single fam. home	80%	4
560 Vine St, #106, HP	6/23/2008	Lease-to-own	Condo	80%	1
1141 Central Avenue, HP	8/4/2008	Ownership	Single fam. home	80%	3

Asset Portfolio - Community Partners for Affordable Housing

Address	In Service Date	Ownership or Rental	Housing Type	Income Limits (Chicago MSA AMI)	Household Size
1251 Arbor Avenue, HP	4/29/2009	Ownership	Single fam. home	80%	3
525 Barberry Avenue, HP	5/12/2009	Ownership	Single fam. home	100%	3
277 Green Bay Road, HP	11/20/2009	Ownership	Single fam. home	60%	4
839 Burton Avenue, HP	3/16/2010	Ownership	Single fam. home	100%	4
1245 Eastwood Avenue, HP	5/10/2010	Ownership	Single fam. home	100%	4
1733 Rosemary Road, HP	1/28/2011	Ownership	Single fam. home	80%	3
598 Barberry Road, HP	1/4/2011	Ownership	Single fam. home	80%	4
1420 Cavell Avenue, HP	5/11/2011	Ownership	Single fam. home	60%	4
765 Broadview Avenue, HP	8/5/2011	Ownership	Single fam. home	80%	4
1378 Ferndale Avenue, HP	7/28/2011	Ownership	Single fam. home	80%	3
1918 Midland Avenue, HP	6/1/2012	Ownership	Single fam. home	80%	3
1342 Sherwood Road, HP	4/20/2012	Ownership	Single fam. home	80%	4
538 Barberry Road, HP	11/26/2012	Ownership	Single fam. home	80%	4
637 Glenview Avenue, HP	9/26/2012	Ownership	Single fam. home	80%	5
704 Broadview Avenue, HP	1/28/2014	Ownership	Townhome	80%	2
2484 Highmoor Road, HP	1/28/2014	Ownership	Single fam. home	80%	3
1578 CloverdaleAve, HP	4/2/2014	Ownership	Single fam. home	80%	4
386 Walker Avenue, HP		Ownership	Single fam. home	100%	
390 Walker Avenue, HP		Ownership	Single fam. home	80%	
1446 Lincoln Place, HP	7/11/2014	Ownership	Single fam. home	80%	3
CPAH Rental					
1250 Park Avenue, #406, HP	7/1/2013	Rental	Condo	60%	3
3506 Western Avenue, #101, HP	3/29/2009	Rental	Apartment	60%	3

Updated 2/25/2016

Asset Portfolio - Community Partners for Affordable Housing

Address	In Service Date	Ownership or Rental	Housing Type	Income Limits (Chicago MSA AMI)	Household Size
3506 Western Avenue, #102, HP	3/29/2009	Rental	Apartment	60%	4
3506 Western Avenue, #201, HP	3/29/2009	Rental	Apartment	60%	3
204 Vine					
206 Vine					
202 Vine					
1085 Central Ave. HP					
3506 Western Avenue, #202, HP	3/29/2009	Rental	Apartment	60%	5
Highland Park Inclusionary Housing & Pilot Program					
550 Vine, #102, HP	4/18/2006	Ownership	Condo	100%	2
1063 Half Day Road, HP	5/29/2003	Ownership	Single fam. home	100%	4
849 Laurel Avenue, HP	9/25/2008	Ownership	Townhome	80%	2
851 Laurel Avenue, HP	4/2/2008	Ownership	Townhome	120%	2
2005 Skyelar Court, HP	8/14/2009	Ownership	Single fam. home	80%	1
1975 Skyelar Court, HP	1/1/2010	Rental	Single fam. home	120%	2

Agenda Item 2.

Discussion and Consideration of Request for Subordination of Housing Commission's Affordable Housing Rehabilitation Program Loan from the Affordable Housing Trust Fund for \$15,000

This item is really a placeholder; we may not have the information necessary for the Commission to make a decision at the March Meeting. We received a call from homeowners who have a home rehab loan from the Housing Trust Fund in 2008 who want to obtain a home equity loan or line of credit. They have said that it is urgent, but City staff does not have any of the necessary documentation from Bank of America at this point. It is on the Agenda in case the information arrives by Monday.



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MEMORANDUM

TO: Highland Park Housing Commission *P. Kuehl*
FROM: Polly Kuehl & Brent Norvik *B. Norvik*
RE: **February Management Report / January Financial Statements**
DATE: 2/22/2016

The office for the Social Service Coordinator is now in use. We hope to have the new Social Service Coordinator utilizing the space shortly.

Frank B. Peers

Occupancy: Peers is currently 100% occupied.

Physical: Regular maintenance work orders and preventative tasks were completed during the month of February.

Social Programs: Social programming included weekly bingo, as well as assorted card games. The monthly luncheon will be held on 2/24, and will feature Chinese food to celebrate the Chinese New Year. Lily the therapy dog will come to visit on 2/23.

Financial: Net Operating Income (NOI) for January was positive to budget at \$4,861.80. YTD NOI is positive to budget at \$4,861.80. Cash carryover is \$40,847.56.

Income – Income for the month of January was positive to budget at \$2,252.

Expenses – Expense line items that were significantly negative to budget include:

- Misc. Admin Expenses (#6390) – Reflects charges for ADP payroll software. (\$285.78)
- Grounds Contractor Landscaping (#6537) - Reflects the cost of previous grounds work done in November. (\$1,352)
- Elevator Contractor / Annual Maintenance Cost (#6545)- Reflects payment for a safety inspection budgeted in a different month. Variance will normalize going forward. (\$346.06)
- Plumbing Repairs (#6595) - Reflects costs associated with the burst pipe in unit 309 and the need to call in an outside contractor to rod out a toilet. (\$368.44)

Walnut Place

Occupancy: Walnut has one vacant unit. We are utilizing the waitlist to fill the vacancy.

Physical: Regular maintenance work orders and preventative tasks were performed during February.

Social Programs: Social programming included weekly bingo and card games. On 2/18, the monthly luncheon featured Chinese food to celebrate the Chinese New Year. Lily the therapy dog will be coming for a visit on 2/26.

Financial: Net Operating Income (NOI) for January was positive to budget by \$1,432.14. YTD NOI is positive to budget by \$1,432.14. Cash carryover is \$10,143.85.

Income - Income for the month of January was negative to budget by (\$3,921). (\$3,298) of the total is due to grant money that is received in bulk, but has yet to be received.

Expenses – Expense line items that were significantly negative to budget include:

- Misc. Admin Expenses (#6390) – Variance reflects charges for ADP payroll software. (\$345.78)
- Tenant Retention (#6395) - Reflects the cost of of the resident luncheon and pastries from December and January. (\$190.21)
- Ground Contractor (Landscaper) (#6537) – Reflects the cost of a lawn cleanup in December. (\$360)
- Floor Repairs/Cleaning (#6596) - Reflects the cost of carpet cleaning a unit, and the lobby. (\$300)

Ravinia Housing

Occupancy: Ravinia is 100% occupied.

Physical: Regular maintenance work orders and preventative tasks were performed during February.

Financial: Net Operating Income (NOI) for January was positive to budget by \$2,586.79. YTD NOI is positive to budget by \$2,586.79. Cash carryover is \$202.66.

Income –Income is positive to budget at \$712.14

Expenses – Expense line items that were significantly negative to budget include:

- Office Supplies (#6311) – Reflects the cost of a November AT&T phone bill paid in January. (\$399.91)
- Miscellaneous Admin Expenses (#6390) – Reflects payroll costs associated with ADP software. (\$249.25)

Accounts Receivable Up-Date

February 2016

Frank B. Peers

Tenant A/R decreased from (\$47) at the end of January to (\$308) at the end of February. The breakdown is as follows:

Current	\$	0
30 Days	\$	0
60 Days	\$	0
90+ Days	\$	0
Prepaid	\$	(308)

Subsidy A/R increased from (\$1,237) at the end of January to (\$892) at the end of February. The increase in A/R reflects a rent increase, that the subsidy payments have yet to catch up with. The breakdown is as follows:

Current	\$	2,586
30 Days	\$	(1,048)
60 Days	\$	(17)
90+ Days	\$	0
Prepaid	\$	(2,413)

Walnut Place

Tenant A/R increased from \$15,073 at the end of January to \$15,217 at the end of February. The breakdown is as follows:

Current	\$	1,544
30 Days	\$	1,637
60 Days	\$	1,439
90+ Days	\$	11,004
Prepaid	\$	(407)

Subsidy A/R increased from (\$4,218) at the end of January to (\$2,528) at the end of February. The change in A/R is mainly due to a decrease in prepayments. The breakdown is as follows:

Current	\$	471
30 Days	\$	(64)
60 Days	\$	63
90+ Days	\$	28
Prepaid	\$	(3,026)

Ravinia Housing

Tenant A/R decreased from \$18,948 at the end of January to \$18,356 at the end of February. The breakdown is as follows:

Current	\$ 1076
30 Days	\$ 1176
60 Days	\$ 1,183
90+ Days	\$ 19,173
Prepaid	\$ (4,252)

Subsidy A/R decreased from (\$3,962) at the end of January to (\$3,096) at the end of February. The increase in A/R mainly reflects an account that is delinquent one month, in the amount of \$1424. The breakdown is as follows:

Current	\$ 1,102
30 Days	\$ 0
60 Days	\$ 0
90+ Days	\$ (1799)
Prepaid	\$ (2,399)

Frank B. Peers Capital Improvements Up-Date 1/31/2016										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacment Reserve Request Date	
Window updates		TBD	\$ 600,000.00							
Capital Expenditures		TBD	\$ 45,000.00							
A/C Replacements		TBD	\$ 3,000.00							
Carpet and tile		TBD	\$ 7,200.00							
Concrete Repairs		TBD		6,000						
Draperies and Blinds		TBD		12,000						
Windows from Partnership Funds										
Reserves 2016 Cash Flow										
Reserves Starting January 1, 2016	\$ 207,213									
2016 Annual Deposit to Reserves	\$ 20,400									
Expected Use of Reserves (\$) 2016	\$ (10,200)	Total	655,200	18,000			-	-		
IHDA Reserves										
Balance expected at the start of 2017	\$ 217,413									

Walnut Place Capital Improvements Up-Date 1/31/2016										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	\$ Actual Operating Spent	\$ Actual Reserves Spent	Replacement Reserve Request Date	
Appliance Replacement		TBD	\$ 3,000.00							
A/C Replacements		TBD	\$ 3,500.00							
Carpet and tile-unit turnover		TBD	\$ 14,400.00							
Other		TBD	\$ 8,000.00							
<u>Reserves 2016 Cash Flow</u>										
Reserves Starting January 2016	\$ 106,168									
2015 Annual Escrow Deposit	\$ 22,008									
Expected Use of Reserves \$ in 2016	\$ (28,900)	Total	28,900	-			-	-		
Balance expected at start of 2017	\$ 99,276									

Ravinia Housing Capital Improvements 1/31/2016										
Task	Date for Work	\$ Use of R&R	\$ Use of Constructio	\$ Use of Operating	Comments	FMCS Role Lead, Assist or None	Date Complete	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacment Reserve Request Date
Appliance Replacement	TBD	\$ 2,000.00								
Carpet and Tile Replacement	TBD	\$ 12,000.00								
<u>Reserves Cash Flow</u>										
Reserves Starting January 1, 2016	\$ 388,799									
2016 Annual Deposit	\$ 16,404									
Use of Reserves in FY 2016	\$ (14,000)	TOTAL	14,000	-	-		TOTAL	-	-	
Balance expected January 1, 2017	\$ 391,203									

Highland Park Housing Commission - Cash Fund Balances as of 1/31/16

	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods Association		
				12 Rental Units	2 Rental Units	Total
Management Funds:						
Checking	40,848.00	10,144.00	202.00	68,890.00	36,074.00	104,964.00
Security Deposit	20,385.00	23,150.00	6,893.00	10,588.00	2,230.00	12,818.00
Replacement Reserve	207,214.00	103,833.00	388,799.00	-		
Residual Receipts	17,508.00	27,095.00	-	-		
Operating Reserve	-	-	-	9,190.00		9,190.00
Construction Escrow			16.00			
Total Management Funds	285,955.00	164,222.00	395,910.00	88,668.00	38,304.00	126,972.00
Association Funds:						
Assn Money Mkt Ckg		104,752.00	81,963.00	119,805.00		119,805.00
Assn MaxSafe Money Market	1,035,772.00					
Assn Small Business Ckg	46,763.00			4,529.00		4,529.00
Association CDs						
CD # 1- matures 1/7/2016	508,064.00					
CD # 2 - matures 10/7/2015	508,174.00					
Total Association Funds	2,098,773.00	104,752.00	81,963.00	124,334.00		124,334.00
Total Mgmt & Assn Funds	2,384,728.00	268,974.00	477,873.00	213,002.00	38,304.00	251,306.00
Association Receivables (Liability)						
1) Due from Hsg. Trst. Fd 277 GB	7,492.00					
2) Due from Hsg. Trst Fd. Emerg.	689.00					
3) Due from Sunset Woods / (Due to Peers)	258,832.00			(258,832.00)		



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MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, CPM 
Senior Vice President of Property Management

RE: Management Agreement Renewal

DATE: January 23, 2016

The Management Agreements for Frank B. Peers, Walnut Place and Ravinia Housing are due to expire on July 1, 2016. Given the review process that is required for renewal, I wanted to send the renewal package to you in sufficient time for ample review and discussion.

I have attached the Management Agreements (5 copies) and Management Certifications (5 copies) for each property. You will notice that the terms have not changed and fees have not changed for 4 years – they remain the same as the last two renewals.

Evergreen Real Estate Services, LLC (ERES) has enjoyed working with the Housing Commission, its staff and the properties over the past few years – and we hope that we can continue this service. I wanted to note a few of the accomplishments since the last renewal in 2014:

Frank B. Peers

- Window and partial Air Conditioning Replacement Capital Improvements – This has been an on-going project that has required review, assessment and changes over the past few years. ERES has worked closely with the Housing Commission, staff and architect to arrive at a scope of work and plan for implementation.
- Refinancing Options – ERES has worked with the Housing Commission and staff to develop various options for possible refinancing of Frank B. Peers, which included renovation of the property and a possible purchase/renovation scenario with Walnut Place.
- Capital Plans – A new 5 year capital plan was developed for the property.
- Property Taxes – Initial steps were taken to look at property tax exemption and/or reduction.
- Staffing Changes – An experienced new Manager was identified who will meet the needs of residents and the community. The budget now includes a Social Service Coordinator for 2 days/week at Frank B. Peers to advocate for residents and assist them with needed services. A modest renovation of space enabled more private space for staff who meet with residents on a regular basis.
- IHDA Management Inspections – These inspections identified no findings and continue to be very good.

- Preventive Maintenance and Capital Improvements – On-going preventive maintenance, repairs and capital improvements occurred at the property.
- Recreational Activities – On-going monthly recreational activity programs were planned and implemented at the property.

Walnut Place

- Owner Contacts – ERES has worked with staff to initiate contact with the owners of Walnut Place to begin discussions for the future of that property.
- Capital Plans – Similar to Frank B. Peers, a new 5 year capital plan was developed which helped to identify and quantify for the owner concerns regarding the financial future for the property and the ability to maintain the property in good physical condition.
- REAC – A HUD physical inspection of the property resulted in a score of 87. Another inspection will not occur until 2017.
- Social Service Coordinator – Subsequent to applying for and receiving a HUD grant for a Social Service Coordinator at Walnut, this program was implemented at the site and has had a very positive impact. The HUD grant pays the entire cost and there is no expense borne by the property.
- IHDA Management Reviews – As with Frank B. Peers, there were no findings on the IHDA Management reviews for the property.
- Physical – A new roof was installed and the original fire panel was replaced, both in the main senior building.
- Preventive Maintenance and Capital Improvements – This is similar to Frank B. Peers.
- Recreational Activities – This is similar to Frank B. Peers

Ravinia Housing

- Security – Significant steps were taken to implement a new camera system and new rules to ensure that the residents and guests of Ravinia Housing would be good residents and good neighbors.
- Community Neighborhood – Outreach to the nearby community was made and a vehicle to share concerns was implemented. An on-going relationship with the Police has allowed ERES to take prompt action if there are issues. The overall environment at Ravinia Housing has made significant improvements and has been a positive part of the community.
- Parking Lot – ERES has spent considerable time related to the lease and/or purchase of the Pleasant Avenue parking lot that the City of Highland Park utilizes.

We appreciate the opportunity to serve your properties and look forward to doing so in the future. Please let me know if there are questions regarding the renewal or agreements. Thanks.

Attached:

EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT

THIS EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT (this "Amendment") is made as of the _____ day of _____, by and between Peers Housing Association (the "Owner") and Evergreen Real Estate Services, LLC (the "Property Manager").

RECITALS

A. The Owner and the Property Manager have previously entered into that certain Management Agreement dated as of April 2, 2008 (the "Management Agreement") and approved by the Illinois Housing Development Authority. The Management Agreement has expired and the parties wish to amend it and extend its term.

NOW, THEREFORE, in consideration of the mutual agreements contained below and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. **Definitions.** All capitalized terms in this Amendment that are not defined herein shall have the meanings provided in the Management Agreement.
2. **Extension of Term.** The term of the Management Agreement is extended for a period of two (2) year(s), beginning on July 1, 2016 and ending on June 30, 2018, unless terminated earlier as provided in the Management Agreement.
3. **Warranties and Representations.** Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of the Management Agreement, as amended by this Amendment (the "Amended Management Agreement") and that, in any event, the requirements of the Amended Management Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with the Amended Management Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

OWNER: Peers Housing Association

By: _____
Print Name: _____
Title: President
FEIN # 36-2949405

PROPERTY MANAGER:

By: 
Print Name: Stephen Rappin
Title: President
FEIN # 36-4274778

This Amendment is approved this _____ day of _____.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:

By: _____
Print Name: _____
Title: Program Administration Manager

Project Owner's/Management Agent's Certification
for Multifamily Housing Projects
for Identity-of-Interest
or Independent Management Agents

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0305
(exp. 11/30/2016)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

Project name Frank B. Peers	FHA project number IHDA ML-93	Date (mm/dd/yyyy) 07/01/2016
City, State Highland Park, IL	Section 8 number IL06-H121-021	

Acting on behalf of Peers Housing Association, the Project Owner (Owner), and Evergreen Real Estate Serv., the Management Agent (Agent), we make the following certifications and agreements to the United States Department of Housing and Urban Development (HUD) regarding management of the above project.

1. We certify that:

- a. We will comply with HUD requirements and contract obligations, and agree that no payments have been made to the owner in return for awarding the management contract to the agent, and that such payments will not be made in the future.
- b. We have executed or will execute, within 30 days after receiving the approval(s) required by paragraph b below, a Management Agreement for this project. The Agreement provides / will provide that the Management Agent will manage the project for the term and fee described below. Changes in the fee will be implemented only in accordance with HUD's requirements

(1) Terms of Agreement:

(a) From: 07/01/2016

(b) To: 06/30/2018

(c) Self Renew: Yes No

(2) Fees:

(a) 5.2 % of residential income collected;

(b) N/A % of commercial income collected;

(c) 5.2 % of miscellaneous income collected

(This percentage must not exceed the percentage in (2)(a) above).

(d) Special Fees No Yes If yes, describe in paragraph 4 of Attachment 1.

(3) Calculation of Estimated Yield (See Attachment 1.)

c. We will disburse management fees from project income only after:

- (1) We have submitted this Certification to HUD;
- (2) HUD has approved the Agent to manage this project; and
- (3) HUD has approved the management fee (if required).

d. We understand that no fees may be earned or paid after HUD has terminated the Management Agreement.

e. If HUD notifies me of an excessive management fee, I, the Agent, will within 30 days of HUD's notice either:

- (1) Reduce the compensation to an amount HUD determines to be reasonable and
- (2) Require the administrator to refund to the project all excessive fees collected, or
- (3) Appeal HUD's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of this decision letter on the appeal.

f. If HUD holds the residential management fee yield harmless under the transition provisions of Chapter 3, Section 4 of HUD Handbook 4381.5,

- (1) We understand that HUD will adjust the management fee percentage each time HUD approves a rent increase.
- (2) We agree to be bound by that percentage until the next rent increase or until HUD approves a different fee, pursuant to our request.

2. We will, if the project is subsidized by HUD, select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administration responsibilities in accordance with HUD Handbook 4350.3 and other HUD instructions.

3. We agree to:

- a. Comply with this project's Regulatory Agreement, Mortgage & Mortgage Note, and any Subsidy Contract or Workout / Modification Agreement.

- b. Comply with HUD handbooks, notices or other policy directives that relate to the management of the project.
- c. Comply with HUD requirements regarding payment and reasonableness of management fees and allocation of management costs between the management fee and the project account.

- d. Refrain from purchasing goods or services from entities that have identity-of-interest with us unless the costs are as low as or lower than arm's-length, open-market purchases.

4. The Agent agrees to:

- a. Ensure that all expenses of the project are reasonable and necessary.
- b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
- c. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.
- d. Credit the project with all discounts, rebates or commissions (including any sales or property tax relief granted by the State or local government) received.
- e. Obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.
- f. Maintain copies of such documentation and make such documentation available for your inspection during normal business hours.
- g. Invest project funds that HUD policies require to be invested and take reasonable effort to invest other project funds unless the owner specifically directs the Agent not to invest those other funds.

5. We certify that the types of insurance policies checked below are in force and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name HUD as an additional payee in the event of loss. Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.

- a. Fidelity bond or employee dishonesty coverage for
 - (1) all principals of the Agent and;
 - (2) all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records. Coverage will be at least equal to the project's gross potential income for two (2) months.
- b. Hazard insurance coverage in an amount required by the project's Mortgage.
- c. Public liability coverage with the Agent designated as one of the insured.

6. The Agent agrees to:

- a. Furnish a response to HUD's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
- b. Establish and maintain the project's accounts, books and records in accordance with:
 - (1) HUD's administrative requirements;
 - (2) generally accepted accounting principles; and
 - (3) in a condition that will facilitate audit.

7. We agree that:

- a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
- b. HUD, the General Accounting Office (GAO), and those agencies' representatives may inspect:

- (1) any records which relate to the project's purchase of goods or services,
- (2) the records of the Owner and the Agent, and
- (3) the records of companies having an identity-of-interest with the owner and the agent.

c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project: "Upon request of HUD or (name of owner or Agent), (name of contractor or supplier) will make available to HUD, at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit HUD to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per-unit and total charges levied for said services." The owner agrees to request such records within seven (7) days of receipt of HUD's request to do so.

8. We certify that any Management Agreement does not contain the type of "hold harmless" clause prohibited by HUD.

9. We agree to include the following provisions in the Management Agreement and to be bound by them:

a. HUD has the right to terminate the Management Agreement for failure to comply with the provisions of this Certification, or other good cause, thirty days after HUD has mailed the owner a written notice of its desire to terminate the Management Agreement.

b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate the Management Agreement immediately upon HUD's issuance of a notice of termination to the Owner and Agent.

c. If HUD exercises this right of termination, I, the Owner, agree to promptly make arrangements for providing management that is satisfactory to HUD.

d. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.

e. If the Management Agreement is terminated I, the Agent, will give to the Owner all of the project's cash, trust accounts investments and records within thirty (30) days of the date the Management Agreement is terminated.

10. I, the Owner, agree to submit a new Management Certification to HUD before taking any of the following actions:

a. Authorizing the agent to collect a fee different from the percentages fees and any special fees specified in Paragraph 1 of this Certification:

b. Changing the expiration date of the Management Agreement.

c. Renewing the Management Agreement.

d. Permitting a new Agent to operate the project.

e. Permitting a new Agent to collect a fee.

f. Undertaking self-management of the project.

11. We agree to:

a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.

b. When the head or spouse is otherwise eligible, give families with children equal consideration for admission.

c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.

d. If the project receives any form of direct Federal financial assistance, comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.

e. Furnish HUD's Office of Fair Housing and Equal Opportunity any reports and information required to monitor the project's compliance with HUD's fair housing and affirmative marketing requirements (including HUD Form 949, if applicable).

f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.

g. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.

h. If the project receives any form of direct Federal financial assistance, comply with Section 3 of the Housing and Urban Development Act of 1968

and its implementing regulations. I, the Agent, understand that this law and the regulations require the project to make training, employment and contracting opportunities available, to the greatest extent feasible, to lower-income project area residents and small businesses.

12. We certify that we have read and understand HUD's definition of "identity-of-interest" and that the statement(s) checked and information entered below are true. (Check box a or boxes b and / or c.)

- a. No identity-of-interest exists among the Owner, the Agent and any individuals or companies that regularly do business with the project.
- b. Only individuals and companies listed in Section 11a of the Management Entity Profile have an identity-of-interest with the Agent.
- c. Only the individuals and companies listed below have an identity-of-interest with the Owner. (Show the name of the individual or company; list the services rendered; and describe the nature of the identity-of-interest relationship. Attach additional sheets, if necessary.)

13. I/We, the Agent, certify & agree:

a. that the Management Entity Profile, dated (mm/dd/yyyy) 09/01/2015, is accurate and current as of the date of this Certification.

b. To submit an updated profile whenever there is a significant change in the organization or operations of the Management Entity.

14. The items identified in HUD Handbook 4381.5 Rev-2 The Management Agent Handbook at Sec. 2.9 "Owner/Management Entity Approval Submission Requirements" are attached.

Warnings:

There are fines and imprisonment—\$10,000/5years—for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C 1001).

There are fines and imprisonment—\$250,000/5years—for anyone who misuses rents & proceeds in violation of HUD regulations relative to this project. This applies when the mortgage note is in default or when the project is in a non-surplus cash position (12 U.S.C 1715z-9).

HUD may seek a "double damages" civil remedy for the use of assets or income in violation of any Regulatory Agreement or any applicable HUD regulations (12 U.S.C 1715z-4a).

HUD may seek additional civil money penalties to be paid by the mortgagor through personal funds for:

(1) Violation of an agreement with HUD to use nonproject funds for certain specified purposes as a condition of receiving transfers of physical assets, flexible subsidy loan, capital improvement loan, modification of mortgage terms or workout. The penalties could be as much as the HUD Secretary's loss at foreclosure sale or sale after foreclosure.

(2) Certain specific violations of the Regulatory Agreement, the penalties could be as much as \$25,000 per occurrence (12 U.S.C 1735f-15).

By Project Owner: Name Peers Housing Association

President

title

signature

date (mm/dd/yyyy)

By Management Agent: Name Evergreen Real Estate Serv

Stephen Rappin - President

title

signature

date (mm/dd/yyyy)

Project Name Frank B. Peers	FHA Project Number IHDA ML-93	Date (mm/dd/yyyy) 07/01/2016
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HUD Field Office Use Only (Check all boxes that apply)

An up-front review of the management fee was: Required Not required

- The management fees quoted in paragraph 1a and explained in Attachment 1 of this Certification are approved.
- The management fees quoted in Paragraph 1a and explained in Attachment 1 of this Certification are **not** approved. The attached letter, dated (mm/dd/yyyy) _____, explains the reasons for this disapproval and sets forth the allowable management fees.
- The residential management fee **Percentage** is held harmless at _____%.
- The residential management fee **Yield** is capped at \$_____PUPM. Each time you approve a rent increase, adjust the management fee **Percentage** to maintain this yield and enter the information required below.

Effective Date (mm/dd/yyyy) of New Fee %*	Monthly Rent Potential	Collections % Assumed**	Adjusted Management Fee Percentage

* This should be the same date the rent increase is effective.
 ** 95% unless you approve a different percentage.

By Project Manager		By Supervisory Project Manager/Hub Director	
Signature	Date (mm/dd/yyyy)	Signature	Date (mm/dd/yyyy)
Name		Name	
Title		Title	

Attachment 1—Calculation of Estimated Yields from Proposed Management Fees

Project Name: Frank B. Peers	FHA Project No.: IHDA ML-93	Date: 07/01/2016
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1. Residential Fee		2. Commercial Fee (Describe commercial space, how it is used and what services management provides.)
a. Monthly residential rent potential (from Part A of the most recent HUD-approved Rent Schedule)	\$ 86,983.00	N/A
b. Line 1a times 0.95 *	\$ 82,633.85	
c. Percentage fee	5.20 %	
d. Monthly residential fee yield (Line 1b times 1c)	\$ 4,296.96	
e. Total number of residential units (include rent-free units.)	68 units	
f. Residential fee yield per unit per month (Line 1d divided by 1e.)	\$ 63.19 PUPM	

<p>* Note: Generally collections must be estimated at 95% of gross potential. If you use a lower percentage, attach an explanation for the collections HUD-approved Rent percentage used. Make sure that any assumption of a lower collections base does not compensate the agent for services for which a special fee will be paid.</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)</td> <td style="width:20%; text-align: right;">\$</td> </tr> <tr> <td>b. Percentage fee</td> <td style="text-align: right;">%</td> </tr> <tr> <td>c. Commercial fee yield (Line 2a times 2b)</td> <td style="text-align: right;">\$</td> </tr> </table>	a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)	\$	b. Percentage fee	%	c. Commercial fee yield (Line 2a times 2b)	\$
a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)	\$						
b. Percentage fee	%						
c. Commercial fee yield (Line 2a times 2b)	\$						

3. Miscellaneous Fee	
a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)	5.20 %
b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will not be paid. None	

c. List any miscellaneous income on which HUD allows a fee to be taken and on which AFEE will be paid.
Late Fees, NSF, Damages, Laundry

4. Special Fees
Show dollar amount(s), purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)
N/A

EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT

THIS EXTENSION AND AMENDMENT OF MANAGEMENT AGREEMENT (this "Amendment") is made as of the _____ day of _____, by and between Highland Park Apartment Associates (the "Owner") and Evergreen Real Estate Services, LLC (the "Property Manager").

RECITALS

A. The Owner and the Property Manager have previously entered into that certain Management Agreement dated as of April 2, 2008 (the "Management Agreement") and approved by the Illinois Housing Development Authority. The Management Agreement has expired and the parties wish to amend it and extend its term.

NOW, THEREFORE, in consideration of the mutual agreements contained below and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. **Definitions.** All capitalized terms in this Amendment that are not defined herein shall have the meanings provided in the Management Agreement.
2. **Extension of Term.** The term of the Management Agreement is extended for a period of two (2) year(s), beginning on July 1, 2016 and ending on June 30, 2018, unless terminated earlier as provided in the Management Agreement.
3. **Warranties and Representations.** Owner and Property Manager each warrants that it has not executed, and represents that it will not execute, any other agreement with provisions contradictory to or in opposition to the provisions of the Management Agreement, as amended by this Amendment (the "Amended Management Agreement") and that, in any event, the requirements of the Amended Management Agreement are (i) paramount and controlling as to the rights and obligations set forth in any other agreement and (ii) supersede any other requirements in conflict with the Amended Management Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

OWNER: Highland Park Apartment Associates

Signed by: Walnut Housing Association - Operator on
By: _____ behalf of
Print Name: _____ owner
Title: President
FEIN # 36-2949405

PROPERTY MANAGER:

By: 
Print Name: Stephen Rappin
Title: President
FEIN # 36-4274778

This Amendment is approved this _____ day of _____.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY:

By: _____
Print Name: _____
Title: Program Administration Manager

Project Owner's/Management Agent's Certification
for Multifamily Housing Projects
for Identity-of-Interest
or Independent Management Agents

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0305
(exp. 11/30/2016)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

Project name Walnut Place	FHA project number IHDA ML-127	Date (mm/dd/yyyy) 07/01/2016
City, State Highland Park, IL	Section 8 number IL06-H121-114	

Acting on behalf of Highland Park Apartment Associates, the Project Owner (Owner), and Evergreen Real Estate Serv., the Management Agent (Agent), we make the following certifications and agreements to the United States Department of Housing and Urban Development (HUD) regarding management of the above project.

1. We certify that:

- a. We will comply with HUD requirements and contract obligations, and agree that no payments have been made to the owner in return for awarding the management contract to the agent, and that such payments will not be made in the future.
- b. We have executed or will execute, within 30 days after receiving the approval(s) required by paragraph b below, a Management Agreement for this project. The Agreement provides / will provide that the Management Agent will manage the project for the term and fee described below. Changes in the fee will be implemented only in accordance with HUD's requirements

(1) Terms of Agreement:

(a) From: 07/01/2016

(b) To: 06/30/2018

(c) Self Renew: Yes No

(2) Fees:

(a) 5.2 % of residential income collected;

(b) N/A % of commercial income collected;

(c) 5.2 % of miscellaneous income collected

(This percentage must not exceed the percentage in (2)(a) above).

(d) Special Fees No Yes If yes, describe in paragraph 4 of Attachment 1.

(3) Calculation of Estimated Yield (See Attachment 1.)

c. We will disburse management fees from project income only after:

- (1) We have submitted this Certification to HUD;
- (2) HUD has approved the Agent to manage this project; and
- (3) HUD has approved the management fee (if required).

d. We understand that no fees may be earned or paid after HUD has terminated the Management Agreement.

e. If HUD notifies me of an excessive management fee, I, the Agent, will within 30 days of HUD's notice either:

- (1) Reduce the compensation to an amount HUD determines to be reasonable and
- (2) Require the administrator to refund to the project all excessive fees collected, or
- (3) Appeal HUD's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of this decision letter on the appeal.

f. If HUD holds the residential management fee yield harmless under the transition provisions of Chapter 3, Section 4 of HUD Handbook 4381.5,

- (1) We understand that HUD will adjust the management fee percentage each time HUD approves a rent increase.
- (2) We agree to be bound by that percentage until the next rent increase or until HUD approves a different fee, pursuant to our request.

2. We will, if the project is subsidized by HUD, select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administration responsibilities in accordance with HUD Handbook 4350.3 and other HUD instructions.

3. We agree to:

- a. Comply with this project's Regulatory Agreement, Mortgage & Mortgage Note, and any Subsidy Contract or Workout / Modification Agreement.

- b. Comply with HUD handbooks, notices or other policy directives that relate to the management of the project.
- c. Comply with HUD requirements regarding payment and reasonableness of management fees and allocation of management costs between the management fee and the project account.
- d. Refrain from purchasing goods or services from entities that have identity-of-interest with us unless the costs are as low as or lower than arms-length, open-market purchases.

4. The Agent agrees to:

- a. Ensure that all expenses of the project are reasonable and necessary.
- b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
- c. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.
- d. Credit the project with all discounts, rebates or commissions (including any sales or property tax relief granted by the State or local government) received.
- e. Obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.
- f. Maintain copies of such documentation and make such documentation available for your inspection during normal business hours.
- g. Invest project funds that HUD policies require to be invested and take reasonable effort to invest other project funds unless the owner specifically directs the Agent not to invest those other funds.

5. We certify that the types of insurance policies checked below are in force and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name HUD as an additional payee in the event of loss. Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.

- a. Fidelity bond or employee dishonesty coverage for
 - (1) all principals of the Agent and;
 - (2) all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records. Coverage will be at least equal to the project's gross potential income for two (2) months.
- b. Hazard insurance coverage in an amount required by the project's Mortgage.
- c. Public liability coverage with the Agent designated as one of the insured.

6. The Agent agrees to:

- a. Furnish a response to HUD's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
- b. Establish and maintain the project's accounts, books and records in accordance with:
 - (1) HUD's administrative requirements;
 - (2) generally accepted accounting principles; and
 - (3) in a condition that will facilitate audit.

7. We agree that:

- a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
- b. HUD, the General Accounting Office (GAO), and those agencies' representatives may inspect :

- (1) any records which relate to the project's purchase of goods or services,
- (2) the records of the Owner and the Agent, and
- (3) the records of companies having an identity-of-interest with the owner and the agent.

c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project: "Upon request of HUD or (name of owner or Agent), (name of contractor or supplier) will make available to HUD, at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit HUD to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per-unit and total charges levied for said services." The owner agrees to request such records within seven (7) days of receipt of HUD's request to do so.

8. We certify that any Management Agreement does not contain the type of "hold harmless" clause prohibited by HUD.

9. We agree to include the following provisions in the Management Agreement and to be bound by them:

a. HUD has the right to terminate the Management Agreement for failure to comply with the provisions of this Certification, or other good cause, thirty days after HUD has mailed the owner a written notice of its desire to terminate the Management Agreement.

b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate the Management Agreement immediately upon HUD's issuance of a notice of termination to the Owner and Agent.

c. If HUD exercises this right of termination, I, the Owner, agree to promptly make arrangements for providing management that is satisfactory to HUD.

d. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.

e. If the Management Agreement is terminated I, the Agent, will give to the Owner all of the project's cash, trust accounts investments and records within thirty (30) days of the date the Management Agreement is terminated.

10. I, the Owner, agree to submit a new Management Certification to HUD before taking any of the following actions:

a. Authorizing the agent to collect a fee different from the percentages fees and any special fees specified in Paragraph 1 of this Certification;

b. Changing the expiration date of the Management Agreement.

c. Renewing the Management Agreement.

d. Permitting a new Agent to operate the project.

e. Permitting a new Agent to collect a fee.

f. Undertaking self-management of the project.

11. We agree to:

a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.

b. When the head or spouse is otherwise eligible, give families with children equal consideration for admission.

c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.

d. If the project receives any form of direct Federal financial assistance, comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.

e. Furnish HUD's Office of Fair Housing and Equal Opportunity any reports and information required to monitor the project's compliance with HUD's fair housing and affirmative marketing requirements (including HUD Form 949, if applicable).

f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.

g. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.

h. If the project receives any form of direct Federal financial assistance, comply with Section 3 of the Housing and Urban Development Act of 1968

and its implementing regulations. I, the Agent, understand that this law and the regulations require the project to make training, employment and contracting opportunities available, to the greatest extent feasible, to lower-income project area residents and small businesses.

12. We certify that we have read and understand HUD's definition of "identity-of-interest" and that the statement(s) checked and information entered below are true. (Check box a or boxes b and / or c.)

a. No identity-of-interest exists among the Owner, the Agent and any individuals or companies that regularly do business with the project.

b. Only individuals and companies listed in Section 11a of the Management Entity Profile have an identity-of-interest with the Agent.

c. Only the individuals and companies listed below have an identity-of-interest with the Owner. (Show the name of the individual or company; list the services rendered; and describe the nature of the identity-of-interest relationship. Attach additional sheets, if necessary.)

13. I/We, the Agent, certify & agree:

a. that the Management Entity Profile, dated (mm/dd/yyyy) 09/01/2015 is accurate and current as of the date of this Certification.

b. To submit an updated profile whenever there is a significant change in the organization or operations of the Management Entity.

14. The items identified in HUD Handbook 4381.5 Rev-2 The Management Agent Handbook at Sec. 2.9 "Owner/Management Entity Approval Submission Requirements" are attached.

Warnings:

There are fines and imprisonment—\$10,000/5years—for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C 1001).

There are fines and imprisonment—\$250,000/5years—for anyone who misuses rents & proceeds in violation of HUD regulations relative to this project. This applies when the mortgage note is in default or when the project is in a non-surplus cash position (12 U.S.C 1715z-9).

HUD may seek a "double damages" civil remedy for the use of assets or income in violation of any Regulatory Agreement or any applicable HUD regulations (12 U.S.C 1715z-4a).

HUD may seek additional civil money penalties to be paid by the mortgagor through personal funds for:

(1) Violation of an agreement with HUD to use nonproject funds for certain specified purposes as a condition of receiving transfers of physical assets, flexible subsidy loan, capital improvement loan, modification of mortgage terms or workout. The penalties could be as much as the HUD Secretary's loss at foreclosure sale or sale after foreclosure.

(2) Certain specific violations of the Regulatory Agreement, the penalties could be as much as \$25,000 per occurrence (12 U.S.C 1735f-15).

By Project Owner: Name Highland Park Apartment

Associates

title

signature

date (mm/dd/yyyy)

By Management Agent: Name Evergreen Real Estate Serv

Stephen Rappin - President

title

signature

date (mm/dd/yyyy)

Project Name Walnut Place	FHA Project Number IHDA ML-127	Date (mm/dd/yyyy) 07/01/2016
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HUD Field Office Use Only (Check all boxes that apply)

An up-front review of the management fee was: Required Not required

- The management fees quoted in paragraph 1a and explained in Attachment 1 of this Certification are approved.
- The management fees quoted in Paragraph 1a and explained in Attachment 1 of this Certification are **not** approved. The attached letter, dated (mm/dd/yyyy) _____, explains the reasons for this disapproval and sets forth the allowable management fees.
- The residential management fee **Percentage** is held harmless at _____%.
- The residential management fee **Yield** is capped at \$_____PUPM. Each time you approve a rent increase, adjust the management fee **Percentage** to maintain this yield and enter the information required below.

Effective Date (mm/dd/yyyy) of New Fee %*	Monthly Rent Potential	Collections % Assumed**	Adjusted Management Fee Percentage

* This should be the same date the rent increase is effective.
 ** 95% unless you approve a different percentage.

By Project Manager		By Supervisory Project Manager/Hub Director	
Signature	Date (mm/dd/yyyy)	Signature	Date (mm/dd/yyyy)
Name		Name	
Title		Title	

Attachment 1—Calculation of Estimated Yields from Proposed Management Fees

Project Name: Walnut Place	FHA Project No.: IHDA ML-127	Date: 07/01/2016
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1. Residential Fee		2. Commercial Fee (Describe commercial space, how it is used and what services management provides.) N/A
a. Monthly residential rent potential (from Part A of the most recent HUD-approved Rent Schedule)	\$ 89,776.00	
b. Line 1a times 0.95 *	\$ 85,287.20	
c. Percentage fee	5.20 %	
d. Monthly residential fee yield (Line 1b times 1c)	\$ 4,434.93	
e. Total number of residential units (include rent-free units.)	68 units	
f. Residential fee yield per unit per month (Line 1d divided by 1e.)	\$ 65.22 PUPM	

* **Note:** Generally collections must be estimated at 95% of gross potential. If you use a lower percentage, attach an explanation for the collections HUD-approved Rent percentage used. Make sure that any assumption of a lower collections base does not compensate the agent for services for which a special fee will be paid.

a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)	\$
b. Percentage fee	%
c. Commercial fee yield (Line 2a times 2b)	\$

3. Miscellaneous Fee

a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)	5.20 %
b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will not be paid. None	

c. List any miscellaneous income on which HUD allows a fee to be taken and on which AFEE will be paid.

Late Fees, NSF, Damages, Laundry

4. Special Fees

Show dollar amount(s), purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)

N/A

HOUSING MANAGEMENT AGREEMENT

This Agreement is made this ___th day of _____, 2016, between Ravinia Housing (the "Owner") and Evergreen Real Estate Services, L.L.C. (the "Agent").

1. Appointments and Acceptance. The Owner appoints the Agent as exclusive Agent for the management of the Property described in Section 2 of this Agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.
2. Description of Facility. The property (the "Facility") to be managed by the Agent under this Agreement is a housing development consisting of the land, buildings, and other improvements, which make up Facility No. 071-35843. The Facility is further described as follows:
 - Name: Ravinia Housing
 - Location:
 - City: Highland Park
 - State: Illinois
 - No. Of Dwelling Units: 17
3. Definition. As used in this Agreement:
 - a. "HUD" means the United States Department of Housing and Urban Development.
 - b. "Secretary" means the Secretary of the United States Department of Housing and Urban Development.
 - c. "Principal Parties" means the Owner and the Agent.
 - d. "Consenting Parties" means the Secretary and the Mortgagee.
4. HUD Requirements. Ravinia Housing is subject to a Housing Assistance Contract (HAP) with the Secretary and the Mark-to-Market Program (M2M). The Owner will furnish the Agent with a copy of the HAP. In performing its duties under this Management Agreement, the Agent will comply with all pertinent requirements of the HAP, and the directives of the Secretary. In the event any instruction from the Owner is in contravention of such requirements, the latter will prevail.
5. Management Plan. Attached hereto as Exhibit "A" and hereby incorporated herein, is a copy of the Management Plan for the property, which provides a comprehensive and detailed description of the policies and procedures to be followed in the management of the Facility. In many of its provisions, this Agreement briefly defines the nature of the Agent's obligations, with the intention that reference be made to the Management Plan for more detailed policies and procedures. Accordingly, the Owner and the Agent will comply with all applicable provisions of the Management Plan, regardless of whether specific reference is made thereto in any particular provision of this Agreement.
6. Basic Information. As soon as possible, the Owner will furnish the Agent with a complete set of plans and specifications approved by the Secretary and copies of all guarantees and warranties pertinent to constructing, fixtures and equipment. With the aid of this information and through inspections by competent personnel, the Agent will thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Facility and especially the electrical, heating, plumbing, air conditioning and ventilation system, the elevators and all other mechanical equipment.
7. Marketing. The Agent will carry out the marketing activities prescribed in the Management Plan, observing all requirements of the Affirmative Fair Housing Marketing Plan (HUD 935.2) observing all requirements of fair housing laws and regulations, as amended from time to time. Advertising expenses will be paid out of the Rental Agency as Facility expenses.
8. Rentals. The Agent will offer for rent and will rent the dwelling units, parking spaces, and concessions in the Facility. Incident thereto, the following provisions will apply:
 - a. The Agent will follow the tenant selection policy described in the Management Plan, including ensuring that tenants meet the Facility financing requirements for eligibility.
 - b. The Agent will show the premises to prospective tenants.
 - c. The Agent will take and process applications for rentals. If an application is rejected, the applicant

will be told the reason for rejection, and the rejected application, with reason for rejection noted thereon, will be kept on file for three years. A current list of prospective tenants will be maintained.

- d. The Agent will prepare all dwelling leases and parking permits, and will execute the same in its name, identified thereon as Agent for the Owner. The dwelling leases will be in a form approved by the Owner and the Secretary.
 - e. The Owner will furnish the Agent with rent schedules, as from time to time approved by the Secretary, showing approved rents for dwelling units, and other charges for facilities and services. In no event will such fair market rents and other charges be exceeded.
 - f. The Agent will counsel all prospective tenants regarding eligibility for dwelling rents and will prepare and verify eligibility certifications and recertifications in accordance with the Regulatory Agreement and the directives of the Secretary.
 - g. The Agent will negotiate concession agreements, and will execute the same in its name, identified thereon as Agent for Owner, subject to the Owner's prior approval of all terms and conditions.
 - h. The Agent will collect, deposit, and disburse security deposits if required, in accordance with the terms of each tenant's lease. Security deposits will be deposited by the Agent in an interest-bearing account, separate from all other accounts and funds with a bank or other financial institution whose deposits are insured by an agency of the United States Government, and which has been approved by the Owner, and a percentage of interest will be credited to each tenant, annually, based on published rates. This account will be carried in the Facility's name and designated on record as "Linden House of Mishawaka Security Deposit Account."
9. Collection of Rents and Other Receipts. The Agent will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Facility. Such receipts (except for tenants' security deposits, which will be handled as specified in Subsection 8h above) will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Facility's name and designated on record as "Linden House of Mishawaka Operating Account."
10. Enforcement of Leases. The Agent will secure full compliance by each tenant with the terms of this lease. Voluntary compliance will be emphasized, and the Agent, utilizing the services of the Social Services Coordinator, when available, will counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with sound management of the Facility. Nevertheless, and subject to the pertinent procedures prescribed in the Management Plan, the Agent may lawfully terminate any tenancy when, in the Agent's judgement, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the tenant's lease. For this purpose, the Agent is authorized to consult with legal counsel to be designated by the Owner, to bring actions for eviction and to execute notices to vacate and judicial pleading incident to such actions; provided, however, the Agent keeps the Owner informed of such actions and follows such instruction as the Owner may prescribe for the conduct of any such action. Subject to the Owner's approval, attorney fees and other necessary costs incurred in connection with such actions will be paid out of the Rental Agency Account as Facility expenses.
11. Maintenance and Repair. The Agent will maintain the Facility in good repair in accordance with the Management Plan, state and local codes, rules and regulation, and in a condition at all times acceptable to the Owner and the Secretary, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein.

Incident thereto, the following provision will apply:

- a. Special attention will be given to preventive maintenance and to the greatest extent feasible; the services of regular maintenance employees will be used.
- b. Subject to the Owner's prior approval, the Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees.
- c. The Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a 24-hour basis. Complaints of a serious nature will be reported to

the Owner after investigation.

- d. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary to proper maintenance and repair, in accordance with the Facility's operating and capital accounts.
 - e. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds five thousand dollars (\$5,000.00) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Facility, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Facility. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
12. Utilities and Service. In accordance with the Management Plan and the operation budget, the Agent will make arrangement for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities and telephone services.

Subject to the Owner's prior approval, the Agent will make such contracts as may be necessary to secure such utilities and services.

13. Employees. The Management Plan prescribes the number, qualifications and duties of the personnel to be regularly employed in the management of the Facility. All such on-site personnel will be employees of the Agent and will be hired, paid, supervised, and discharged by the Agent, and will be hired, paid, supervised, and discharged through the Agent, subject to the following conditions:
- a. As are particularly described in the Management Plan, the Manager will have duties of the type usually associated with their position. The Manager will be directly responsible to the Agent's Senior Vice President of Property Management and/or Property Supervisor.
 - b. The compensation (including fringe benefits) of all employees will be prescribed in the Management Plan.
 - c. The Owner will reimburse the Agent for compensation (including fringe benefits) payable to the on-site management and maintenance employees, as prescribed in the Management Plan, and for all local, state and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workman's compensation insurance) incident to the employment of such personnel. Such reimbursements will be paid out of the Operating Account and will be treated as Facility expenses.
 - d. Compensation (including fringe benefits) payable to the on-site staff, plus all local, state and federal taxes and assessments incident to the employment of such personnel will be borne solely by the Facility and will not be paid out of the Agent's fee. The rental value of any dwelling unit furnished rent-free will be treated as a cost to the Facility.
 - e. The Agent will establish and follow an employment policy that affords residents of the Facility maximum opportunities for employment in the management and operation of the Facility, and, to the extent consistent with the consideration, employment opportunities to lower-income persons in the area. While personnel will be employed primarily on the basis of ability, the Agent shall comply with any equal employment and non-discrimination provisions of such employment laws, rules and regulations.
14. Records and Reports. In addition to any requirements specified in the Management Plan or in other provisions of this Agreement, the Agent will have the following responsibilities with respect to records and reports:

- a. The Agent will establish and maintain a comprehensive system of records, books, and accounts in a manner conforming to the directives of the Secretary, and otherwise satisfactory to the Owner and the Consenting Parties. All records, books and accounts will be subject to examination at reasonable hours by and authorized representative of the Owner or either of the Consenting Parties.
 - b. With respect to each fiscal year ending during the term of this Agreement, the Agent will have an annual financial report prepared by a Certified Public Accountant or other person acceptable to the Owner and Secretary, based upon the preparer's examination of the books and records of the Owner and the Agent. The report will be prepared in accordance with the directives of the Secretary, will be certified by the preparer and the Agent, and will be submitted to the Owner within ninety (90) days after the end of the fiscal year, for the Owner's further certification and submission to the Secretary and the Mortgagee. Compensation for the preparer's services will be paid out of the Rental Agency Account as an expense of the Facility.
 - c. The Agent will prepare a monthly report comparing actual and budgeted figures for receipts and disbursements, and will submit each report to the Owner within thirty (30) days of the last day of the calendar month.
 - d. The Agent will furnish such information (including occupancy reports) as may be requested by the Owner or the Secretary from time to time with respect to the financial, physical, or operational condition of the Facility.
 - e. By the 15th day of each month, the Agent will furnish the Owner with an itemized list of all delinquent accounts, including rental accounts, as of the 10th day of the same month.
 - f. By the thirtieth (30th) day of each month, the Agent will furnish the Owner, and HUD, upon written request by HUD, a statement of receipts and disbursements during the previous month, and with a schedule of accounts receivable and payable, and reconciled bank statements for the Operating Account as of the end of the previous month.
 - g. If the rental collections plus HUD subsidy fall below operating expenses for a sustained period of sixty (60) days, the Agent will immediately send written notification of the same to the appropriate HUD Area/Insuring Office with a copy sent to the Owner.
 - h. Agent will prepare and submit a Housing Assistance Contract (HAP) request and accompanying documentation, as directed by the Secretary, on a monthly basis, to the U.S. Department of Housing and Urban Development within the first ten (10) days of the month preceding that month for which the HAP payments are claimed.
15. Budgets. Annual operating budgets for the Facility will be approved by the Owner. Except as permitted under Subsection 11e above, annual disbursement for each type of operating expenses itemized in the budget will not exceed the amount authorized by the approved budget. In addition to preparation and submission of a recommended operating budget for the initial fiscal year, the Agent will prepare a recommended operating budget for each subsequent fiscal year beginning during the term of this Agreement, and will submit the same to the Owner at least sixty (60) days before the beginning of the fiscal year. The Owner will promptly inform the Agent of any changes incorporated in the approved budget, and the Agent will keep the Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.
16. Disbursements from Rental Agency Accounts.
- a. From the funds collected and deposited by the Agent in the Operating Account pursuant to Section 9 above, the Agent will make the following disbursements promptly when payable:
 - (1) Reimbursement to the Agent for compensation payable to the employees specified in Subsection 13c above, and for the taxes and assessment payable to local, state and federal governments in connection with the employment of such personnel.
 - (2) The single aggregate payment required to be made monthly by the Owner to the Mortgagee, (as appropriate) including the amounts due under the mortgage for principal amortization, interest, mortgage insurance premium, fire and other hazard insurance premiums and the amount specified in the Regulatory Agreement.
 - (3) All sums otherwise due and payable by the Owner as expenses of the Facility authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section 25 below, for its service hereunder.

- b. Except for the disbursements mentioned in Subsection 16a above, funds will be disbursed or transferred from the Operating Account only as the Owner may from time to time direct in writing.
 - c. In the event the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under Subsection 16a above, the Agent will inform the Owner of that fact and the Owner will then remit to the Agent sufficient funds to cover the deficiency. In no event will the Agent be required to use its own funds to pay such disbursements.
 - d. Owner approves Agent's software, with a separate set of books for the Facility and its Operating Account. Payment of bills shall be by check written on the Owner's Operating Account. Owner's general policy is to pay accounts payable within 30 days after the vendor or service provider is entitled to payment, subject to Owner's or Agent's reasonable discretion to delay or withhold payment(s). Agent will use its best efforts to comply with this general policy.
17. **Fidelity Bond.** The Agent will furnish and maintain, at the expense of the Owner, a fidelity bond of which the principal sum will not be less than the gross potential income for two months and is conditioned to protect the Owner and the Consenting Parties against misappropriation of Facility funds by the Agent and its employees. The other terms and conditions of the bond, and the surety thereon, will be subject to the approval of the Owner and the Consenting Parties.
18. **Bids and Purchase Discounts, Rebates or Commissions.** The Facility Owner and the Management Agent agree to obtain contract materials, supplies, and services at the lowest possible cost and on the terms most advantageous to the Facility and to secure and credit to the Facility all discounts, rebates or commission obtainable with respect to purchases, service contracts and other transactions on behalf of the Facility. The Facility Owner and the Management Agent agree that all goods and services purchased from individuals or companies have an identity-of-interest with the Agent, Facility Owner or Management Agent shall be purchased at costs not in excess of those that would be incurred in making arms-length purchase on the open market.

The Management Agent shall solicit written cost estimates (i.e., bids from at least three contractors or suppliers) for any work item, which the Facility Owner or the Secretary estimates will cost \$5,000 or more, and for any contract or ongoing supply or service arrangement, which is estimated to exceed \$5,000 per year. The Management Agent agrees to accept the bid, which represents the lowest price, taking into consideration the bidder's reputation for quality of workmanship or materials and timely performance and the time frame within which the service or goods are needed. For any contract or ongoing supply or service arrangement obtainable for more than one source and estimated to cost less than \$5,000, the Management Agent shall solicit verbal or written cost estimates, as necessary to assure that the Facility is obtaining services, supplies and purchases at the lowest possible cost. The Management Agent must make a written record of any verbal estimate obtained. Copies of all required bids and documentation of all other written or verbal comparisons made by the Management Agent shall be made part of the Facility's records and shall be retained for three years from the date the work was completed. This documentation shall be subject to inspection by the Secretary or his/her designee and the Management Agent agrees to submit such documentation upon request.

The Management Agent further agrees to include the following clause in any contract entered into with and identity-of-interest firm for provision of goods or services to the Facility, the cost of which services are to be paid from Facility funds: "Upon request by the (Facility Owner or Management Agent) or the Secretary, (name of contractor or supplier) will make available to the Secretary at a reasonable time and place; (name of contractor or suppliers) records which relate to goods or services provided to the Facility." The Management Agent agrees to request such records from the contractor or supplier within seven days of receipt of a written request from the Secretary of his/her designee.

The Management Agent agrees to include the following clause in any contract entered into with an identity-of-interest firm for provision of goods or services to the Facility, the cost of which services are to be paid from Facility funds: "Upon request by the (Facility Owner or Management Agent) or the Secretary, (name of contractor or supplier) will make available to the Secretary at a reasonable time and place; (name of contractor or suppliers) records which relate to goods or services provided to the Facility." The Management Agent agrees to request such records from the contractor or supplier within seven days of receipt of a written request from the Secretary of his/her designee.

The Management Agent agrees to make available to the Secretary all records of the Agents management company and its identity-of-interest company(s), if any, which relate to the provision of goods or services to the Facility whenever Facility funds have been used to pay for such goods and/or services (other than management services).

In the event charges levied by an identity-of-interest firm exceed charges, which were or would have been

levied by non-identity-of-interest firms for similar services or materials, the Facility Owner, at the request of the Department, shall refund any excessive amounts, which were paid from the Facility funds. If the Facility Owner and Field Office cannot agree as to the amount of refund due, the Loan Management Branch Chief shall request the identity-of-interest firm's records related to the transactions under review. The Inspector General shall provide the Loan Management Branch Chief with an estimate of the amount of refund due. The Deputy Director for Housing Management and the Chief shall review the Inspector General's report and shall notify the Facility Owner of the amount of refund due. Within 20 days of receipt of the Field Office's letter, the Facility Owner shall refund any amounts found to be excessive.

19. Social Services Program. The agent will be responsible to the Owner for carrying out the social services program described in the Management Plan.
20. Tenant-Management Relations. The Agent will encourage and assist residents of the Facility informing and maintaining representative organizations to promote their common interests, and will maintain good-faith communication with such organizations to the end that problems affecting the Facility and its residents may be avoided or solved on the basis of mutual self-interest.
21. On-Site Management Facilities. Subject to the further agreement of the Owner and Agent as to more specific terms, the Agent will maintain a management office within the Facility.
22. Insurance. The Owner will inform the Agent of insurance to be carried with respect to the Facility and its operations and the Agent will cause such insurance to be placed and kept in effect at all times. The Agent will pay premiums out of the Operating Account, and premiums will be treated as operating expenses. All insurance will be placed with such companies, on such conditions, in such amounts and with such beneficial interests appearing thereon as shall be acceptable to the Owner and the Consenting Party, and shall be otherwise in conformity with the mortgage, provided that the same will include comprehensive general liability, fire and extended coverage, loss of rents Officers and Directors' Liability Insurance, Fidelity Bond and Boiler and Equipment Liability insurance, and the Agent designated as one of the insured, in amounts acceptable to the Agent, as well as to the Owner and the Consenting Party. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims and potential claims for damage relating to the facility and will cooperate with the Owner's insurers in connections therewith.
23. Compliance with Governmental Orders. The Agent will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Facility, whether imposed by federal, state, county or municipal authority, subject, however, to the limitation stated in Subsection 13e with respect to repairs.

Nevertheless, the Agent shall take no such action as long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements, within 72 hours from the time of their receipt.
24. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, creed, handicap or national origin, including Title VI or the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.
25. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Operating Account and treated as Facility expenses. Management Fees will be computed and paid according to HUD requirements. Such fees will be payable on the 1st day of each month beginning with the first day of the first month of the term of this Agreement.
 - a. Each such monthly fee will be in an amount equal to 3.8% of gross rents during the preceding month. In addition, Agent will charge 3.8% of gross collections from other sources such as coin-operated laundry equipment and vending.
 - b. The following categories of expenses shall be covered by the fee, and shall not be reimbursable by the Owner: All off-site bookkeeping, clerical and other management overhead expenses (including but not limited to cost of office supplies and equipment, data processing services, postage, transportation, managerial and non-managerial personnel and telephone service) of the Agent, other than the fee for services of the Certified Public Accountant retained to prepare the annual financial report.
26. Term of Agreement. This Agreement shall be in effect until HUD, AGENT or OWNER terminates from the 1st day of July, 2016 through June 30, 2018, subject, however, to the following conditions:

- a. This Agreement may be terminated by either party with or without cause, as of the end of any calendar month, provided at least sixty (60) days advance written notice thereof is given to each of the Principal Parties.
- b. In the event a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event either makes an assignment for the benefits of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other, provided prompt written notice of such termination is given to each of the Principal Parties.
- c. It is expressly understood and agreed by and between the Principal Parties that the Secretary or the Mortgagee shall have the right to terminate this Agreement at the end of any calendar month, with or without cause, on thirty (30) days advance written notice to each of the Principal Parties. The Secretary (HUD) may require the Owner to terminate the agreement: immediately, in the event of a default under the Mortgage, Note, Regulatory Agreement or Subsidy Contract attributable to the Management Agent; or upon 30 days written notice, for failure to comply with the provisions of the Management Certification or other good cause; or when HUD takes over as MIP. If the Secretary (HUD) terminates the agreement, the Owner will promptly make arrangements for providing management satisfactory to HUD. HUD's rights and requirements will prevail in the event the management agreement conflicts with them.
- d. Upon termination, the Agent will submit to the Owner any financial statements required by the Secretary and, after the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Agent security, in form and principal amount satisfactory to the Agent, against any obligations or liabilities the Agent may properly have incurred on behalf of the Owner hereunder. The Agent will turn over to the Owner all of the project's cash, trust accounts, investments and records immediately, but in no event more than 30 days after the date the management agreement is terminated.

27. Interpretative Provisions.

- a. At all times, this Agreement will be subject and subordinate to all rights of the Secretary, and will insure to the benefit and constitute a binding obligation upon the Principal Parties and their respective successors and assigns. The extent that this Agreement confers rights upon the Consenting Parties, it will be deemed to inure to their benefit, but without liability to either, in the same name and with the same effect as though the Consenting Parties were primary parties to the Agreement.
- b. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Facility, and no change will be valid, unless made by supplemental written agreement, executed and approved by the Principal Parties.

28. Indemnification.

- a. Owner agrees to indemnify, defend and save Agent harmless from liability arising out of or in connection with the management of the Development, unless such liability is a result of the negligence or willful misconduct of Agent. Agent shall be entitled to recover from Owner its costs of litigation and reasonable attorney's fees if Agent incurs such costs and fees due to Owner's failure to act in accordance with the terms of this agreement.
- b. Agent shall indemnify, defend and hold Owner harmless from and against all claims, causes of action, liabilities, losses or losses that may be asserted against Owner as a result of Agent's failure to act in accordance with the terms of this agreement. Owner shall be entitled to recover from Agent its costs of litigation and reasonable attorney's fees if Owner incurs such costs and fees due to Agent's failure to act in accordance with the terms of this Agreement.

29. Notices. Any notice, demand, request or other communication which any party may desire or may be required to give to any other party thereunder shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail. Postage prepaid, return receipt requested.

30. Emergency Situations. Notwithstanding anything contained herein to the contrary, in the event that an Emergency Situation (as defined below) exists or arises, Agent shall be entitled to immediately take any action, which, in the agent's reasonable determination, Agent deems necessary and prudent to preserve, protect or repair to the Facility or any property related to or used in connection with the Facility; provided, however, that Agent shall as soon as practical, but in any event within forty-eight (48) hours, notify Owner describing in reasonable detail the reasons for such Emergency situation and the actions taken by Agent in

response thereto. For purposes of this Agreement the term "Emergency Situation" shall mean any situation or condition which exists or arises which without immediate action (i) will or is likely to cause damage or destruction to the Facility or any property related to or used in connection with the Facility; (ii) will or likely to cause the Facility to be dangerous or unsafe to tenants; or (iii) will or is likely to cause the Facility to violate any applicable building code, rule or regulation.

31. Principal Parties:
- (a) Agent:

Evergreen Real Estate Services, LLC
566 West Lake Street, Suite 400
Chicago, IL 60661-1414
 - (b) Owner:

Ravinia Housing
City of Highland Park
1150 Half Day Road
Highland Park, IL 60035

Such addresses may be changed by notice to the other party given in the Agreement. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective on (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be effective three (3) business days after proper deposit with the United States Postal Service.

32. Controlling Provisions.

- a) In the event of a conflict between the applicable HUD laws, regulations, contract and Mortgage ("HUD Provisions") and this Agreement and Management Plan, the HUD provisions will govern and control.
- b) In the event of a conflict between this Agreement and the Management Plan, the provisions of this Agreement will govern and control.

IN WITNESS WHEREOF, the Principal Parties by their duly authorized officers have executed this Agreement on the date first above written.

OWNER: Ravinia Housing

By: _____
President

Witness: _____

AGENT: Evergreen Real Estate Services, LLC

By: Stephen Rappin
Stephen Rappin, President

Witness: _____

Project Owner's/Management Agent's Certification
for Multifamily Housing Projects
for Identity-of-Interest
or Independent Management Agents

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0305
(exp. 11/30/2016)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

Project name Ravinia Housing	FHA project number 071-35843	Date (mm/dd/yyyy) 07/01/2016
City, State Highland Park, IL	Section 8 number IL06-0051003	

Acting on behalf of Ravinia Housing, the Project Owner (Owner), and Evergreen Real Estate Serv., the Management Agent (Agent), we make the following certifications and agreements to the United States Department of Housing and Urban Development (HUD) regarding management of the above project.

1. We certify that:
 - a. We will comply with HUD requirements and contract obligations, and agree that no payments have been made to the owner in return for awarding the management contract to the agent, and that such payments will not be made in the future.
 - b. We have executed or will execute, within 30 days after receiving the approval(s) required by paragraph b below, a Management Agreement for this project The Agreement provides / will provide that the Management Agent will manage the project for the term and fee described below. Changes in the fee will be implemented only in accordance with HUD's requirements
 - (1) Terms of Agreement:
 - (a) From: 07/01/2016
 - (b) To: 06/30/2018
 - (c) Self Renew: Yes No
 - (2) Fees:
 - (a) 3.8 % of residential income collected;
 - (b) N/A % of commercial income collected;
 - (c) 3.8 % of miscellaneous income collected
(This percentage must not exceed the percentage in (2)(a) above.)
 - (d) Special Fees No Yes If yes, describe in paragraph 4 of Attachment 1.
 - (3) Calculation of Estimated Yield (See Attachment 1.)
 - c. We will disburse management fees from project income only after:
 - (1) We have submitted this Certification to HUD;
 - (2) HUD has approved the Agent to manage this project; and
 - (3) HUD has approved the management fee (if required).
 - d. We understand that no fees may be earned or paid after HUD has terminated the Management Agreement.
 - e. If HUD notifies me of an excessive management fee, I, the Agent, will within 30 days of HUD's notice either:
 - (1) Reduce the compensation to an amount HUD determines to be reasonable and
 - (2) Require the administrator to refund to the project all excessive fees collected, or
 - (3) Appeal HUD's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of this decision letter on the appeal.
 - f. If HUD holds the residential management fee yield harmless under the transition provisions of Chapter 3, Section 4 of HUD Handbook 4381.5,
 - (1) We understand that HUD will adjust the management fee percentage each time HUD approves a rent increase.
 - (2) We agree to be bound by that percentage until the next rent increase or until HUD approves a different fee, pursuant to our request.
2. We will, if the project is subsidized by HUD, select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administration responsibilities in accordance with HUD Handbook 4350.3 and other HUD instructions.
 3. We agree to:
 - a. Comply with this project's Regulatory Agreement, Mortgage & Mortgage Note, and any Subsidy Contract or Workout / Modification Agreement.

- b. Comply with HUD handbooks, notices or other policy directives that relate to the management of the project.
 - c. Comply with HUD requirements regarding payment and reasonableness of management fees and allocation of management costs between the management fee and the project account.
 - d. Refrain from purchasing goods or services from entities that have identity-of-interest with us unless the costs are as low as or lower than arms-length, open-market purchases.
4. The Agent agrees to:
 - a. Ensure that all expenses of the project are reasonable and necessary.
 - b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
 - c. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.
 - d. Credit the project with all discounts, rebates or commissions (including any sales or property tax relief granted by the State or local government) received.
 - e. Obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.
 - f. Maintain copies of such documentation and make such documentation available for your inspection during normal business hours.
 - g. Invest project funds that HUD policies require to be invested and take reasonable effort to invest other project funds unless the owner specifically directs the Agent not to invest those other funds.
 5. We certify that the types of insurance policies checked below are in force and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name HUD as an additional payee in the event of loss. Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.
 - a. Fidelity bond or employee dishonesty coverage for
 - (1) all principals of the Agent and;
 - (2) all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records. Coverage will be at least equal to the project's gross potential income for two (2) months.
 - b. Hazard insurance coverage in an amount required by the project's Mortgage.
 - c. Public liability coverage with the Agent designated as one of the insured.
 6. The Agent agrees to:
 - a. Furnish a response to HUD's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
 - b. Establish and maintain the project's accounts, books and records in accordance with:
 - (1) HUD's administrative requirements;
 - (2) generally accepted accounting principles; and
 - (3) in a condition that will facilitate audit.
 7. We agree that:
 - a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
 - b. HUD, the General Accounting Office (GAO), and those agencies' representatives may inspect :

- (1) any records which relate to the project's purchase of goods or services,
- (2) the records of the Owner and the Agent, and
- (3) the records of companies having an identity-of-interest with the owner and the agent.

c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project: "Upon request of HUD or (name of owner or Agent), (name of contractor or supplier) will make available to HUD, at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit HUD to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per-unit and total charges levied for said services." The owner agrees to request such records within seven (7) days of receipt of HUD's request to do so.

8. We certify that any Management Agreement does not contain the type of "hold harmless" clause prohibited by HUD.

9. We agree to include the following provisions in the Management Agreement and to be bound by them:

a. HUD has the right to terminate the Management Agreement for failure to comply with the provisions of this Certification, or other good cause, thirty days after HUD has mailed the owner a written notice of its desire to terminate the Management Agreement.

b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate the Management Agreement immediately upon HUD's issuance of a notice of termination to the Owner and Agent.

c. If HUD exercises this right of termination, I, the Owner, agree to promptly make arrangements for providing management that is satisfactory to HUD.

d. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.

e. If the Management Agreement is terminated I, the Agent, will give to the Owner all of the project's cash, trust accounts investments and records within thirty (30) days of the date the Management Agreement is terminated.

10. I, the Owner, agree to submit a new Management Certification to HUD before taking any of the following actions:

a. Authorizing the agent to collect a fee different from the percentages fees and any special fees specified in Paragraph 1 of this Certification:

b. Changing the expiration date of the Management Agreement.

c. Renewing the Management Agreement.

d. Permitting a new Agent to operate the project.

e. Permitting a new Agent to collect a fee.

f. Undertaking self-management of the project.

11. We agree to:

a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.

b. When the head or spouse is otherwise eligible, give families with children equal consideration for admission.

c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.

d. If the project receives any form of direct Federal financial assistance, comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.

e. Furnish HUD's Office of Fair Housing and Equal Opportunity any reports and information required to monitor the project's compliance with HUD's fair housing and affirmative marketing requirements (including HUD Form 949, if applicable).

f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.

g. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.

h. If the project receives any form of direct Federal financial assistance, comply with Section 3 of the Housing and Urban Development Act of 1968

and its implementing regulations. I, the Agent, understand that this law and the regulations require the project to make training, employment and contracting opportunities available, to the greatest extent feasible, to lower-income project area residents and small businesses.

12. We certify that we have read and understand HUD's definition of "identity-of-interest" and that the statement(s) checked and information entered below are true. (Check box a or boxes b and / or c.)

a. No identity-of-interest exists among the Owner, the Agent and any individuals or companies that regularly do business with the project.

b. Only individuals and companies listed in Section 11a of the Management Entity Profile have an identity-of-interest with the Agent.

c. Only the individuals and companies listed below have an identity-of-interest with the Owner. (Show the name of the individual or company; list the services rendered; and describe the nature of the identity-of-interest relationship. Attach additional sheets, if necessary.)

13. I/We, the Agent, certify & agree:

a. that the Management Entity Profile, dated (mm/dd/yyyy) 09/01/2015 is accurate and current as of the date of this Certification.

b. To submit an updated profile whenever there is a significant change in the organization or operations of the Management Entity.

14. The items identified in HUD Handbook 4381.5 Rev-2 The Management Agent Handbook at Sec. 2.9 "Owner/Management Entity Approval Submission Requirements" are attached.

Warnings:

There are fines and imprisonment—\$10,000/5years—for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C 1001).

There are fines and imprisonment—\$250,000/5years—for anyone who misuses rents & proceeds in violation of HUD regulations relative to this project. This applies when the mortgage note is in default or when the project is in a non-surplus cash position (12 U.S.C 1715z-9).

HUD may seek a "double damages" civil remedy for the use of assets or income in violation of any Regulatory Agreement or any applicable HUD regulations (12 U.S.C 1715z-4a).

HUD may seek additional civil money penalties to be paid by the mortgagor through personal funds for :

(1) Violation of an agreement with HUD to use nonproject funds for certain specified purposes as a condition of receiving transfers of physical assets, flexible subsidy loan, capital improvement loan, modification of mortgage terms or workout. The penalties could be as much as the HUD Secretary's loss at foreclosure sale or sale after foreclosure.

(2) Certain specific violations of the Regulatory Agreement, the penalties could be as much as \$25,000 per occurrence (12 U.S.C 1735f-15).

By Project Owner: Name Ravinia Housing
President

title

signature

date (mm/dd/yyyy)

By Management Agent: Name Evergreen Real Estate Serv
Stephen Rappin - President

title

signature

date (mm/dd/yyyy)

Project Name Ravinia Housing	FHA Project Number 071-35843	Date (mm/dd/yyyy) 07/01/2016
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HUD Field Office Use Only (Check all boxes that apply)

An up-front review of the management fee was: Required Not required

- The management fees quoted in paragraph 1a and explained in Attachment 1 of this Certification are approved.
- The management fees quoted in Paragraph 1a and explained in Attachment 1 of this Certification are not approved. The attached letter, dated (mm/dd/yyyy) _____, explains the reasons for this disapproval and sets forth the allowable management fees.
- The residential management fee **Percentage** is held harmless at _____%.
- The residential management fee **Yield** is capped at \$_____ PUPM. Each time you approve a rent increase, adjust the management fee **Percentage** to maintain this yield and enter the information required below.

Effective Date (mm/dd/yyyy) of New Fee %*	Monthly Rent Potential	Collections % Assumed**	Adjusted Management Fee Percentage

* This should be the same date the rent increase is effective.
 ** 95% unless you approve a different percentage.

By Project Manager		By Supervisory Project Manager/Hub Director	
Signature	Date (mm/dd/yyyy)	Signature	Date (mm/dd/yyyy)
Name		Name	
Title		Title	

Attachment 1—Calculation of Estimated Yields from Proposed Management Fees

Project Name: Ravinia Housing	FHA Project No.: 071-35843	Date: 07/01/2016
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1. Residential Fee		2. Commercial Fee (Describe commercial space, how it is used and what services management provides.) N/A
a. Monthly residential rent potential (from Part A of the most recent HUD-approved Rent Schedule)	\$ 22,870.00	
b. Line 1a times 0.95 *	\$ 21,716.50	
c. Percentage fee	3.80 %	
d. Monthly residential fee yield (Line 1b times 1c)	\$ 825.61	
e. Total number of residential units (include rent-free units.)	17 units	
f. Residential fee yield per unit per month (Line 1d divided by 1e.)	\$ 48.57 PUPM	

* Note: Generally collections must be estimated at 95% of gross potential. If you use a lower percentage, attach an explanation for the collections HUD-approved Rent percentage used. Make sure that any assumption of a lower collections base does not compensate the agent for services for which a special fee will be paid.	a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)	\$
	b. Percentage fee	%
	c. Commercial fee yield (Line 2a times 2b)	\$

3. Miscellaneous Fee		
a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)		3.80 %
b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will not be paid. None		

c. List any miscellaneous income on which HUD allows a fee to be taken and on which AFEE will be paid.
Late Fees, NSF, Damages

4. Special Fees
Show dollar amount(s), purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)

N/A

FRANK B PEERS

Balance Sheet

Month Ending 01/31/16

ASSETS

Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	40,847.56
1130-0000 - Tenant/member accounts receivable	6.00
1131-0000 - Accounts receivable - subsidy	3,651.00
1240-0000 - Prepaid property and liability insurance	14,967.50
Total Current Assets	<u>59,772.06</u>

Other Assets

1192-0000 - Tenant Sec Dep	20,385.20
1310-0000 - Real estate tax escrow	115,876.63
1311-0000 - Insurance escrow	18,526.93
1330-0000 - Debt Service Escrow	138,754.19
1320 - Replacement Reserve	207,213.50
1340 - Residual Receipt	17,508.10
Total Other Assets	<u>518,264.55</u>

Fixed Assets

1420-0000 - Building	1,848,860.15
1420-0001 - Building Improvements	130,215.52
1430-0000 - Land Improvements	1,621,801.79
1450-0000 - Furniture for project/tenant use	574,009.36
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(3,464,227.19)
1498-0000 - Current F/A	14,885.00
Total Fixed Assets	<u>897,763.40</u>

Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(73,413.22)
Total Financing Costs	<u>118,985.63</u>

Partnership Assets

1701-0000 - Cash - Partnership	46,762.91
1702-0000 - Partnership MM	2,051,426.75
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	<u>2,365,203.35</u>

Total Assets

3,959,988.99

FRANK B PEERS

Balance Sheet

Month Ending 01/31/16

Liabilities & Equity

Current Liabilities

2114-0000 - 401K Payable	23.33
2120-0000 - Accrued wages and p/r taxes payable	5,256.93
2150-0000 - Accrued property taxes	135,143.14
2180-0000 - Misc current liabilities	9,367.95
Total Current Liabilities	<u>149,791.35</u>

Non-Current Liabilities

2190-0000 - Misc Clearing	31.00
2191-0000 - Security deposits-residential	17,220.00
2191-0001 - Pet Deposit	1,195.00
2210-0000 - Prepaid Rent	256.00
2211-0000 - Prepaid HUD	3,257.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,467,228.35
Total Non-Current Liabilities	<u>3,779,187.35</u>

Owner's Equity

3100-0000 - Limited Partners Equity	2,405,002.63
3209-0000 - Prior Year Retained Earnings	(2,598,993.73)
3210-0000 - Retained earnings	204,922.01
Current YTD Earnings	20,079.38
Total Owner's Equity	<u>31,010.29</u>

Total Liability & Owner Equity

3,959,988.99

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	18,782.00	19,997.00	(1,215.00)	18,782.00	19,997.00	(1,215.00)	242,593.00
5121-0000 - Tenant assistant payments	69,510.00	66,947.00	2,563.00	69,510.00	66,947.00	2,563.00	825,452.00
5140-0000 - Commercial base rent	60.00	60.00	0.00	60.00	60.00	0.00	720.00
TOTAL RESIDENTIAL RENTAL INCOME	88,352.00	87,004.00	1,348.00	88,352.00	87,004.00	1,348.00	1,068,765.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(1,000.00)	1,000.00	0.00	(1,000.00)	1,000.00	(12,000.00)
5221-0000 - Non-Revenue Units	(1,309.00)	(1,287.00)	(22.00)	(1,309.00)	(1,287.00)	(22.00)	(15,631.00)
TOTAL VACANCIES & ADJUSTMENTS	(1,309.00)	(2,287.00)	978.00	(1,309.00)	(2,287.00)	978.00	(27,631.00)
OTHER INCOME							
5910-0000 - Laundry income	412.00	450.00	(38.00)	412.00	450.00	(38.00)	1,800.00
5922-0000 - Late fees	0.00	9.00	(9.00)	0.00	9.00	(9.00)	108.00
5945-0000 - Damages	0.00	20.00	(20.00)	0.00	20.00	(20.00)	180.00
5990-0000 - Misc other income	13.00	20.00	(7.00)	13.00	20.00	(7.00)	240.00
5413-0000 - Interest income - escrow	0.00	0.00	0.00	0.00	0.00	0.00	4.00
TOTAL OTHER INCOME	425.00	499.00	(74.00)	425.00	499.00	(74.00)	2,332.00
GROSS OPERATING INCOME	87,468.00	85,216.00	2,252.00	87,468.00	85,216.00	2,252.00	1,043,466.00
ADVERTISING & RENTING EXPENSE							
6211-0000 - Marketing/Promotions	0.00	590.00	590.00	0.00	590.00	590.00	7,080.00
6213-0000 - Employee Recruitment	61.69	42.00	(19.69)	61.69	42.00	(19.69)	504.00
6253-0000 - Credit Report Fees	0.00	28.00	28.00	0.00	28.00	28.00	378.00
TOTAL ADVERTISING & RENTING EXPENSE	61.69	660.00	598.31	61.69	660.00	598.31	7,962.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	136.83	425.00	288.17	136.83	425.00	288.17	5,100.00
6316-0000 - Office Equipment	349.64	250.00	(99.64)	349.64	250.00	(99.64)	3,000.00
6320-0000 - Management fee	4,329.26	4,506.00	176.74	4,329.26	4,506.00	176.74	54,072.00
6340-0000 - Legal Expense - Project	0.00	367.00	367.00	0.00	367.00	367.00	4,404.00
6350-0000 - Audit Expense	0.00	0.00	0.00	0.00	0.00	0.00	14,200.00
6360-0000 - Telephone	342.23	900.00	557.77	342.23	900.00	557.77	10,800.00
6360-0001 - Answering Service/ Pagers	0.00	44.00	44.00	0.00	44.00	44.00	528.00
6365-0000 - Training & Education Expense	0.00	75.00	75.00	0.00	75.00	75.00	900.00
6370-0000 - Bad debts	76.00	0.00	(76.00)	76.00	0.00	(76.00)	0.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6390-0000 - Misc administrative expenses	485.78	200.00	(285.78)	485.78	200.00	(285.78)	2,400.00
6390-0002 - Computer Supplies/Data Processing	190.19	180.00	(10.19)	190.19	180.00	(10.19)	2,160.00
6395-0000 - Tenant Retention	537.98	500.00	(37.98)	537.98	500.00	(37.98)	7,000.00
6431-0000 - Travel & Expense Reimbursement	139.12	170.00	30.88	139.12	170.00	30.88	2,040.00
6851-0000 - Bank Service Fees	0.00	0.00	0.00	0.00	0.00	0.00	14.00
6860-0000 - Security Deposit Interest	(0.48)	0.00	0.48	(0.48)	0.00	0.48	0.00
TOTAL ADMINISTRATIVE EXPENSE	6,586.55	7,617.00	1,030.45	6,586.55	7,617.00	1,030.45	108,618.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,846.08	4,838.00	(8.08)	4,846.08	4,838.00	(8.08)	63,764.00
6510-0000 - Janitor and cleaning payroll	1,158.78	1,496.00	337.22	1,158.78	1,496.00	337.22	19,944.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6540-0000 - Repairs payroll	4,307.03	4,359.00	51.97	4,307.03	4,359.00	51.97	57,838.00
6900-0000 - Social Service Coordinator	0.00	850.00	850.00	0.00	850.00	850.00	10,200.00
6715-0000 - Payroll Taxes	1,424.65	1,414.00	(10.65)	1,424.65	1,414.00	(10.65)	12,322.00
6722-0000 - Workers compensation	154.46	392.00	237.54	154.46	392.00	237.54	4,818.00
6723-0000 - Employee Health Ins/Other Benefits	242.78	460.00	217.22	242.78	460.00	217.22	5,580.00
6724-0000 - Union Benefits	1,358.88	1,468.00	109.12	1,358.88	1,468.00	109.12	17,616.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	3,186.00
TOTAL PAYROLL & RELATED COSTS	13,492.66	15,277.00	1,784.34	13,492.66	15,277.00	1,784.34	195,268.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	138.93	400.00	261.07	138.93	400.00	261.07	4,800.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,280.00
6519-0000 - Exterminating Contract	0.00	120.00	120.00	0.00	120.00	120.00	2,200.00
6525-0000 - Rubbish removal	394.00	360.00	(34.00)	394.00	360.00	(34.00)	4,320.00
6530-0000 - Security Contract	0.00	0.00	0.00	0.00	0.00	0.00	324.00
TOTAL OPERATING EXPENSES	532.93	880.00	347.07	532.93	880.00	347.07	12,924.00
UTILITIES							
6450-0000 - Electricity	2,170.20	1,850.00	(320.20)	2,170.20	1,850.00	(320.20)	22,200.00
6451-0000 - Water	1,205.21	1,425.00	219.79	1,205.21	1,425.00	219.79	17,100.00
6452-0000 - Gas	2,998.97	2,084.00	(914.97)	2,998.97	2,084.00	(914.97)	25,008.00
TOTAL UTILITIES	6,374.38	5,359.00	(1,015.38)	6,374.38	5,359.00	(1,015.38)	64,308.00
MAINTENANCE EXPENSES							
6537-0000 - Grounds Contractor (Landscaper)	1,352.00	0.00	(1,352.00)	1,352.00	0.00	(1,352.00)	10,550.00
6541-0000 - Repair materials (general supplies)	0.00	60.00	60.00	0.00	60.00	60.00	720.00
6541-0001 - Appliance Parts	0.00	35.00	35.00	0.00	35.00	35.00	420.00
6541-0002 - Plumbing Supplies	0.00	110.00	110.00	0.00	110.00	110.00	1,320.00
6541-0003 - Electrical Supplies	0.00	75.00	75.00	0.00	75.00	75.00	900.00
6541-0004 - Heating/Cooling Supplies	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	0.00	0.00	0.00	400.00
6541-0008 - Flooring/Tile Supplies (i.e.VCT)	0.00	35.00	35.00	0.00	35.00	35.00	420.00
6541-0009 - Window Supplies	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
6541-0010 - Carpentry/Hardware	12.89	70.00	57.11	12.89	70.00	57.11	840.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	346.08	0.00	(346.08)	346.08	0.00	(346.08)	2,564.00
6546-0000 - Heating/Cooling Contractor	696.00	500.00	(196.00)	696.00	500.00	(196.00)	6,000.00
6548-0000 - Snow removal	950.00	1,000.00	50.00	950.00	1,000.00	50.00	8,700.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	300.00	300.00	0.00	300.00	300.00	3,600.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	850.00	850.00	0.00	850.00	850.00	10,200.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6564-0001 - Painting Supplies	0.00	150.00	150.00	0.00	150.00	150.00	1,800.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6582-0001 - Fire Safety Equipment	0.00	40.00	40.00	0.00	40.00	40.00	480.00
6591-0000 - Electrical Repairs	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6592-0000 - Boiler Repairs	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6594-0000 - Carpentry Repairs	0.00	90.00	90.00	0.00	90.00	90.00	1,080.00
6595-0000 - Plumbing Repairs	868.44	500.00	(368.44)	868.44	500.00	(368.44)	6,000.00
6596-0000 - Floor Repairs/Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	900.00
TOTAL MAINTENANCE EXPENSES	4,225.41	4,090.00	(135.41)	4,225.41	4,090.00	(135.41)	63,694.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	10,874.00	10,874.00	0.00	10,874.00	10,874.00	0.00	130,488.00
6720-0000 - Property and liability insurance	2,494.58	2,495.00	0.42	2,494.58	2,495.00	0.42	30,560.00
TOTAL TAXES AND INSURANCE	<u>13,368.58</u>	<u>13,369.00</u>	<u>0.42</u>	<u>13,368.58</u>	<u>13,369.00</u>	<u>0.42</u>	<u>161,048.00</u>
TOTAL OPERATING EXPENSES	44,642.20	47,252.00	2,609.80	44,642.20	47,252.00	2,609.80	613,822.00
NET OPERATING INCOME (LOSS)	42,825.80	37,964.00	4,861.80	42,825.80	37,964.00	4,861.80	429,644.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	18,300.23	18,300.00	(0.23)	18,300.23	18,300.00	(0.23)	215,574.00
TOTAL FINANCIAL EXPENSES	<u>18,300.23</u>	<u>18,300.00</u>	<u>(0.23)</u>	<u>18,300.23</u>	<u>18,300.00</u>	<u>(0.23)</u>	<u>215,574.00</u>
NET OPER INC/(LOSS) BEFORE CAP. EXP.	24,525.57	19,664.00	4,861.57	24,525.57	19,664.00	4,861.57	214,070.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	195.81	0.00	195.81	195.81	0.00	195.81	0.00
8010-0000 - Other Entity Expense	(4,642.00)	0.00	(4,642.00)	(4,642.00)	0.00	(4,642.00)	0.00
Total Partnership Activity	<u>(4,446.19)</u>	<u>0.00</u>	<u>(4,446.19)</u>	<u>(4,446.19)</u>	<u>0.00</u>	<u>(4,446.19)</u>	<u>0.00</u>
NET INCOME (LOSS)	20,079.38	19,664.00	415.38	20,079.38	19,664.00	415.38	214,070.00
Cash Flow - Financing Activities							
7104-0000 - Replacement Reserve	1,700.00	1,700.00	0.00	1,700.00	1,700.00	0.00	20,400.00
7108-0000 - Mortgage Payable (long term)	12,187.31	12,187.00	(0.31)	12,187.31	12,187.00	(0.31)	150,274.00
Total Cash Flow - Financing Activities	<u>13,887.31</u>	<u>13,887.00</u>	<u>(0.31)</u>	<u>13,887.31</u>	<u>13,887.00</u>	<u>(0.31)</u>	<u>170,674.00</u>
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(655,000.00)
6991-0000 - Capital expenditures	14,885.00	3,750.00	(11,135.00)	14,885.00	3,750.00	(11,135.00)	45,000.00
6991-0002 - Windows	0.00	0.00	0.00	0.00	0.00	0.00	600,000.00
6991-0016 - Concrete Repairs	0.00	500.00	500.00	0.00	500.00	500.00	6,000.00
6993-0003 - A/C Replacements	0.00	250.00	250.00	0.00	250.00	250.00	3,000.00
6994-0000 - Carpet & tile	0.00	600.00	600.00	0.00	600.00	600.00	7,200.00
6995-0000 - Draperies and Blinds	0.00	1,000.00	1,000.00	0.00	1,000.00	1,000.00	12,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	<u>14,885.00</u>	<u>6,100.00</u>	<u>(8,785.00)</u>	<u>14,885.00</u>	<u>6,100.00</u>	<u>(8,785.00)</u>	<u>18,200.00</u>
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	<u>(8,692.93)</u>	<u>(323.00)</u>	<u>(8,369.93)</u>	<u>(8,692.93)</u>	<u>(323.00)</u>	<u>(8,369.93)</u>	<u>25,196.00</u>

WALNUT PLACE

Balance Sheet

Month Ending 01/31/16

ASSETS

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	10,143.85
1121-0002 - Cash - Srvc Coordinator	763.10
1130-0000 - Tenant/member accounts receivable	15,772.59
1131-0000 - Accounts receivable - subsidy	3,045.00
1240-0000 - Prepaid property and liability insurance	16,008.86
Total Current Assets	<u>46,633.40</u>

Other Assets

1192-0000 - Tenant Sec Dep	23,150.17
1310-0000 - Real estate tax escrow	154,708.75
1311-0000 - Insurance escrow	19,770.43
1330-0000 - Debt Service Escrow	82,133.48
1320 - Replacement Reserve	106,168.27
1340 - Residual Receipt	27,095.21
Total Other Assets	<u>413,026.31</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1420-0001 - Building Improvements	204,681.22
1430-0000 - Land Improvements	321,376.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	447,466.03
1497-0000 - Site improvements	4,550.00
4120-0000 - Accum depr - buildings	(3,606,524.74)
Total Fixed Assets	<u>852,822.07</u>

Financing Costs

1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(58,520.51)
Total Financing Costs	<u>116,292.52</u>

Partnership Assets

1701-0000 - Cash - Partnership	104,751.53
Total Partnership Assets	<u>104,751.53</u>

Total Assets

1,533,525.83

WALNUT PLACE

Balance Sheet

Month Ending 01/31/16

Liabilities & Equity

Current Liabilities

2114-0000 - 401K Payable	0.12
2120-0000 - Accrued wages and p/r taxes payable	5,256.93
2150-0000 - Accrued property taxes	158,278.03
2155-0000 - Accrued professional services	11,840.00
2180-0000 - Misc current liabilities	8,968.16
Total Current Liabilities	<u>184,343.24</u>

Non-Current Liabilities

2190-0000 - Misc Clearing	315.00
2191-0000 - Security deposits-residential	19,066.00
2191-0001 - Pet Deposit	1,550.00
2210-0000 - Prepaid Rent	340.01
2211-0000 - Prepaid HUD	3,548.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	218,612.00
2320-0000 - Mortgage Payable (long term)	1,440,913.25
Total Non-Current Liabilities	<u>4,230,344.26</u>

Owner's Equity

3100-0000 - Limited Partners Equity	104,375.87
3209-0000 - Prior Year Retained Earnings	(3,227,570.98)
3210-0000 - Retained earnings	219,070.70
Current YTD Earnings	22,962.74
Total Owner's Equity	<u>(2,881,161.67)</u>

Total Liability & Owner Equity

1,533,525.83

WALNUT PLACE Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	22,415.00	24,240.00	(1,825.00)	22,415.00	24,240.00	(1,825.00)	292,200.00
5121-0000 - Tenant assistant payments	67,361.00	65,536.00	1,825.00	67,361.00	65,536.00	1,825.00	794,296.00
TOTAL RESIDENTIAL RENTAL INCOME	89,776.00	89,776.00	0.00	89,776.00	89,776.00	0.00	1,086,496.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(2,235.00)	(1,307.00)	(928.00)	(2,235.00)	(1,307.00)	(928.00)	(15,684.00)
5221-0000 - Non-Revenue Units	(1,307.00)	(1,307.00)	0.00	(1,307.00)	(1,307.00)	0.00	(15,756.00)
TOTAL VACANCIES & ADJUSTMENTS	(3,542.00)	(2,614.00)	(928.00)	(3,542.00)	(2,614.00)	(928.00)	(31,440.00)
OTHER INCOME							
5910-0000 - Laundry income	820.00	530.00	290.00	820.00	530.00	290.00	3,180.00
5920-0000 - Nsf check fee	0.00	0.00	0.00	0.00	0.00	0.00	25.00
5922-0000 - Late fees	29.00	20.00	9.00	29.00	20.00	9.00	240.00
5938-0000 - Cleaning Fee/Turnover	0.00	0.00	0.00	0.00	0.00	0.00	120.00
5945-0000 - Damages	0.00	10.00	(10.00)	0.00	10.00	(10.00)	180.00
5990-0000 - Misc other income	16.00	0.00	16.00	16.00	0.00	16.00	150.00
5411-0000 - Grant Monies Income	0.00	3,298.00	(3,298.00)	0.00	3,298.00	(3,298.00)	39,576.00
5413-0000 - Interest income - escrow	0.00	0.00	0.00	0.00	0.00	0.00	5.00
TOTAL OTHER INCOME	865.00	3,858.00	(2,993.00)	865.00	3,858.00	(2,993.00)	43,476.00
GROSS OPERATING INCOME	87,099.00	91,020.00	(3,921.00)	87,099.00	91,020.00	(3,921.00)	1,098,532.00
ADVERTISING & RENTING EXPENSE							
6253-0000 - Credit Report Fees	0.00	28.00	28.00	0.00	28.00	28.00	466.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	28.00	28.00	0.00	28.00	28.00	466.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	136.83	425.00	288.17	136.83	425.00	288.17	5,100.00
6316-0000 - Office Equipment	349.64	250.00	(99.64)	349.64	250.00	(99.64)	3,000.00
6320-0000 - Management fee	4,586.30	4,506.00	(80.30)	4,586.30	4,506.00	(80.30)	54,284.00
6340-0000 - Legal Expense - Project	0.00	0.00	0.00	0.00	0.00	0.00	2,400.00
6350-0000 - Audit Expense	0.00	0.00	0.00	0.00	0.00	0.00	14,000.00
6360-0000 - Telephone	428.03	900.00	471.97	428.03	900.00	471.97	10,800.00
6360-0001 - Answering Service/ Pagers	0.00	44.00	44.00	0.00	44.00	44.00	528.00
6370-0000 - Bad debts	0.00	0.00	0.00	0.00	0.00	0.00	1,307.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6390-0000 - Misc administrative expenses	485.78	140.00	(345.78)	485.78	140.00	(345.78)	2,240.00
6390-0002 - Computer Supplies/Data Processing	190.19	180.00	(10.19)	190.19	180.00	(10.19)	2,260.00
6395-0000 - Tenant Retention	690.21	500.00	(190.21)	690.21	500.00	(190.21)	7,000.00
6431-0000 - Travel & Expense Reimbursement	139.12	170.00	30.88	139.12	170.00	30.88	2,040.00
6851-0000 - Bank Service Fees	0.00	0.00	0.00	0.00	0.00	0.00	10.00
6860-0000 - Security Deposit Interest	(0.50)	0.00	0.50	(0.50)	0.00	0.50	(4.00)
TOTAL ADMINISTRATIVE EXPENSE	7,005.60	7,115.00	109.40	7,005.60	7,115.00	109.40	106,965.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,846.08	4,838.00	(8.08)	4,846.08	4,838.00	(8.08)	63,764.00
6510-0000 - Janitor and cleaning payroll	1,158.78	1,176.00	17.22	1,158.78	1,176.00	17.22	15,672.00
6540-0000 - Repairs payroll	4,171.03	4,275.00	103.97	4,171.03	4,275.00	103.97	56,830.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6900-0000 - Social Service Coordinator	474.87	3,298.00	2,823.13	474.87	3,298.00	2,823.13	39,576.00
6715-0000 - Payroll Taxes	1,424.65	1,372.00	(52.65)	1,424.65	1,372.00	(52.65)	11,907.00
6722-0000 - Workers compensation	222.46	392.00	169.54	222.46	392.00	169.54	4,818.00
6723-0000 - Employee Health Ins/Other Benefits	242.78	460.00	217.22	242.78	460.00	217.22	5,580.00
6724-0000 - Union Benefits	1,358.88	1,347.00	(11.88)	1,358.88	1,347.00	(11.88)	16,164.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	2,970.00
TOTAL PAYROLL & RELATED COSTS	13,899.53	17,158.00	3,258.47	13,899.53	17,158.00	3,258.47	217,281.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	234.41	380.00	145.59	234.41	380.00	145.59	4,560.00
6519-0000 - Exterminating Contract	0.00	100.00	100.00	0.00	100.00	100.00	2,000.00
6525-0000 - Rubbish removal	394.00	360.00	(34.00)	394.00	360.00	(34.00)	4,320.00
6530-0000 - Security Contract	0.00	0.00	0.00	0.00	0.00	0.00	324.00
TOTAL OPERATING EXPENSES	628.41	840.00	211.59	628.41	840.00	211.59	11,204.00
UTILITIES							
6450-0000 - Electricity	1,225.94	1,300.00	74.06	1,225.94	1,300.00	74.06	15,600.00
6451-0000 - Water	237.98	625.00	387.02	237.98	625.00	387.02	7,500.00
6452-0000 - Gas	3,365.27	1,475.00	(1,890.27)	3,365.27	1,475.00	(1,890.27)	17,700.00
TOTAL UTILITIES	4,829.19	3,400.00	(1,429.19)	4,829.19	3,400.00	(1,429.19)	40,800.00
MAINTENANCE EXPENSES							
6537-0000 - Grounds Contractor (Landscaper)	360.00	0.00	(360.00)	360.00	0.00	(360.00)	8,800.00
6541-0000 - Repair materials (general supplies)	0.00	60.00	60.00	0.00	60.00	60.00	720.00
6541-0001 - Appliance Parts	0.00	35.00	35.00	0.00	35.00	35.00	420.00
6541-0002 - Plumbing Supplies	0.00	110.00	110.00	0.00	110.00	110.00	1,320.00
6541-0003 - Electrical Supplies	0.00	75.00	75.00	0.00	75.00	75.00	900.00
6541-0004 - Heating/Cooling Supplies	0.00	50.00	50.00	0.00	50.00	50.00	600.00
6541-0007 - Safety Equipment	0.00	60.00	60.00	0.00	60.00	60.00	720.00
6541-0008 - Flooring/Tile Supplies (i.e.VCT)	0.00	35.00	35.00	0.00	35.00	35.00	420.00
6541-0009 - Window Supplies	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
6541-0010 - Carpentry/Hardware	0.00	70.00	70.00	0.00	70.00	70.00	840.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	0.00	0.00	0.00	0.00	0.00	2,630.00
6546-0000 - Heating/Cooling Contractor	597.00	500.00	(97.00)	597.00	500.00	(97.00)	6,000.00
6548-0000 - Snow removal	1,460.00	2,800.00	1,340.00	1,460.00	2,800.00	1,340.00	12,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	300.00	300.00	0.00	300.00	300.00	3,600.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	850.00	850.00	0.00	850.00	850.00	10,200.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6564-0001 - Painting Supplies	0.00	75.00	75.00	0.00	75.00	75.00	900.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	2,130.00
6582-0000 - Fire Protection	0.00	150.00	150.00	0.00	150.00	150.00	1,800.00
6582-0001 - Fire Safety Equipment	0.00	0.00	0.00	0.00	0.00	0.00	120.00
6591-0000 - Electrical Repairs	350.00	120.00	(230.00)	350.00	120.00	(230.00)	1,440.00
6592-0000 - Boiler Repairs	0.00	100.00	100.00	0.00	100.00	100.00	1,200.00
6594-0000 - Carpentry Repairs	0.00	85.00	85.00	0.00	85.00	85.00	1,020.00
6595-0000 - Plumbing Repairs	0.00	475.00	475.00	0.00	475.00	475.00	5,700.00
6596-0000 - Floor Repairs/Cleaning	300.00	0.00	(300.00)	300.00	0.00	(300.00)	600.00
6598-0000 - Roof Repairs	0.00	167.00	167.00	0.00	167.00	167.00	2,004.00
TOTAL MAINTENANCE EXPENSES	3,067.00	6,242.00	3,175.00	3,067.00	6,242.00	3,175.00	69,584.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	12,735.00	12,735.00	0.00	12,735.00	12,735.00	0.00	152,820.00
6720-0000 - Property and liability insurance	2,668.13	2,668.00	(0.13)	2,668.13	2,668.00	(0.13)	32,686.00
TOTAL TAXES AND INSURANCE	15,403.13	15,403.00	(0.13)	15,403.13	15,403.00	(0.13)	185,506.00
TOTAL OPERATING EXPENSES	44,832.86	50,186.00	5,353.14	44,832.86	50,186.00	5,353.14	631,806.00
NET OPERATING INCOME (LOSS)	42,266.14	40,834.00	1,432.14	42,266.14	40,834.00	1,432.14	466,726.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	19,317.17	19,317.00	(0.17)	19,317.17	19,317.00	(0.17)	227,408.00
TOTAL FINANCIAL EXPENSES	19,317.17	19,317.00	(0.17)	19,317.17	19,317.00	(0.17)	227,408.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	22,948.97	21,517.00	1,431.97	22,948.97	21,517.00	1,431.97	239,318.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	13.77	0.00	13.77	13.77	0.00	13.77	0.00
Total Partnership Activity	13.77	0.00	13.77	13.77	0.00	13.77	0.00
NET INCOME (LOSS)	22,962.74	21,517.00	1,445.74	22,962.74	21,517.00	1,445.74	239,318.00
Cash Flow - Financing Activities							
7104-0000 - Replacement Reserve	1,833.56	1,833.00	(0.56)	1,833.56	1,833.00	(0.56)	22,000.00
7108-0000 - Mortgage Payable (long term)	14,169.78	14,169.00	(0.78)	14,169.78	14,169.00	(0.78)	174,615.00
Total Cash Flow - Financing Activities	16,003.34	16,002.00	(1.34)	16,003.34	16,002.00	(1.34)	196,615.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	(5,000.00)	0.00	5,000.00	(5,000.00)	0.00	5,000.00	0.00
6991-0000 - Capital expenditures	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	0.00	0.00	0.00	3,600.00
6994-0000 - Carpet & tile	0.00	1,200.00	1,200.00	0.00	1,200.00	1,200.00	14,400.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	(5,000.00)	1,200.00	6,200.00	(5,000.00)	1,200.00	6,200.00	29,000.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	11,959.40	4,315.00	7,644.40	11,959.40	4,315.00	7,644.40	13,703.00

RAVINIA HOUSING

Balance Sheet

Month Ending 01/31/16

ASSETS

Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	202.66
1130-0000 - Tenant/member accounts receivable	27,246.50
1130-1000 - Allowance for Doubtful Accounts	(11,100.30)
1131-0000 - Accounts receivable - subsidy	1,502.00
1240-0000 - Prepaid property and liability insurance	5,957.30
1250-0000 - Prepaid Mortgage Insurance	146.72
Total Current Assets	<u>24,104.88</u>

Other Assets

1192-0000 - Tenant Sec Dep	6,892.51
1310-0000 - Real estate tax escrow	19,510.35
1311-0000 - Insurance escrow	6,482.89
1312-0000 - Mortgage Insurance Escrow	1,633.96
1321-0000 - Transitional Reserve	31,574.02
1350-0000 - Construction Escrow	16.44
1320 - Replacement Reserve	388,798.61
Total Other Assets	<u>454,908.78</u>

Fixed Assets

1420-0000 - Building	1,062,791.20
1420-0001 - Building Improvements	200,692.41
1430-0000 - Land Improvements	355,339.84
1450-0000 - Furniture for project/tenant use	297,692.93
1497-0000 - Site improvements	193,982.00
4120-0000 - Accum depr - buildings	(1,347,852.46)
Total Fixed Assets	<u>762,645.92</u>

Financing Costs

1900-0001 - Deferred Financing Costs	62,658.71
1999-0000 - Accum Amort - Bond Costs	(6,093.30)
Total Financing Costs	<u>56,565.41</u>

Partnership Assets

1701-0000 - Cash - Partnership	81,963.20
1702-1000 - Partnership F/A	62,063.00
1703-0000 - Partnership Receivable	11,730.00
Total Partnership Assets	<u>155,756.20</u>

Total Assets

1,453,981.19

RAVINIA HOUSING

Balance Sheet

Month Ending 01/31/16

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	39,609.93
2114-0000 - 401K Payable	30.36
2120-0000 - Accrued wages and p/r taxes payable	1,433.69
2130-0000 - Accrued interest - mortgage	1,456.38
2131-0001 - Accrued Interest - 2nd Note	71,580.89
2139-0001 - Accrued Interest - Capital Recovery Payment	11,730.00
2150-0000 - Accrued property taxes	52,448.67
2180-0000 - Misc current liabilities	933.20
2180-1000 - Prepaid Insurance Claim	1,528.51
Total Current Liabilities	<u>180,751.63</u>

Non-Current Liabilities

2191-0000 - Security deposits-residential	6,691.19
2210-0000 - Prepaid Rent	4,104.62
2211-0000 - Prepaid HUD	2,818.00
2310-1000 - Notes Payable - (Long Term)	62,062.71
2320-1000 - Mortgage payable - 2nd note	712,929.63
2320-0000 - Mortgage Payable (long term)	388,368.39
Total Non-Current Liabilities	<u>1,176,974.54</u>

Owner's Equity

3100-0000 - Limited Partners Equity	89,954.21
3209-0000 - Prior Year Retained Earnings	(31,402.02)
3210-0000 - Retained earnings	31,732.65
Current YTD Earnings	5,970.18
Total Owner's Equity	<u>96,255.02</u>

Total Liability & Owner Equity

1,453,981.19

RAVINIA HOUSING

Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	5,741.00	8,560.00	(2,819.00)	5,741.00	8,560.00	(2,819.00)	104,200.00
5121-0000 - Tenant assistant payments	16,786.00	13,967.00	2,819.00	16,786.00	13,967.00	2,819.00	170,956.00
TOTAL RESIDENTIAL RENTAL INCOME	22,527.00	22,527.00	0.00	22,527.00	22,527.00	0.00	275,156.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(700.00)	700.00	0.00	(700.00)	700.00	(8,400.00)
TOTAL VACANCIES & ADJUSTMENTS	0.00	(700.00)	700.00	0.00	(700.00)	700.00	(8,400.00)
OTHER INCOME							
5920-0000 - Nsf check fee	0.00	25.00	(25.00)	0.00	25.00	(25.00)	50.00
5922-0000 - Late fees	57.00	20.00	37.00	57.00	20.00	37.00	300.00
5945-0000 - Damages	0.00	30.00	(30.00)	0.00	30.00	(30.00)	360.00
5990-0000 - Misc other income	41.00	0.00	41.00	41.00	0.00	41.00	0.00
5413-0000 - Interest income - escrow	13.14	24.00	(10.86)	13.14	24.00	(10.86)	288.00
TOTAL OTHER INCOME	111.14	99.00	12.14	111.14	99.00	12.14	998.00
GROSS OPERATING INCOME	22,638.14	21,926.00	712.14	22,638.14	21,926.00	712.14	267,754.00
ADVERTISING & RENTING EXPENSE							
6250-0000 - Renting expenses	0.00	53.00	53.00	0.00	53.00	53.00	636.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	53.00	53.00	0.00	53.00	53.00	636.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	674.91	275.00	(399.91)	674.91	275.00	(399.91)	3,300.00
6320-0000 - Management fee	933.20	900.00	(33.20)	933.20	900.00	(33.20)	10,800.00
6340-0000 - Legal Expense - Project	0.00	525.00	525.00	0.00	525.00	525.00	6,300.00
6350-0000 - Audit Expense	0.00	460.00	460.00	0.00	460.00	460.00	5,520.00
6365-0000 - Training & Education Expense	0.00	15.00	15.00	0.00	15.00	15.00	180.00
6370-0000 - Bad debts	0.00	250.00	250.00	0.00	250.00	250.00	3,000.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6390-0000 - Misc administrative expenses	349.25	100.00	(249.25)	349.25	100.00	(249.25)	1,740.00
6390-0002 - Computer Supplies/Data Processing	85.15	81.00	(4.15)	85.15	81.00	(4.15)	972.00
6860-0000 - Security Deposit Interest	(0.16)	0.00	0.16	(0.16)	0.00	0.16	0.00
TOTAL ADMINISTRATIVE EXPENSE	2,042.35	2,606.00	563.65	2,042.35	2,606.00	563.65	33,812.00
PAYROLL & RELATED COSTS							
6330-0000 - Manager Salary	526.14	600.00	73.86	526.14	600.00	73.86	7,836.00
6310-0000 - Office salaries	795.50	720.00	(75.50)	795.50	720.00	(75.50)	9,698.00
6510-0000 - Janitor and cleaning payroll	1,453.66	1,216.00	(237.66)	1,453.66	1,216.00	(237.66)	16,186.00
6715-0000 - Payroll Taxes	388.56	329.00	(59.56)	388.56	329.00	(59.56)	2,798.00
6722-0000 - Workers compensation	(145.85)	123.00	268.85	(145.85)	123.00	268.85	1,518.00
6723-0000 - Employee Health Ins/Other Benefits	66.20	143.00	76.80	66.20	143.00	76.80	1,742.00
6724-0000 - Union Benefits	370.59	244.00	(126.59)	370.59	244.00	(126.59)	2,928.00
TOTAL PAYROLL & RELATED COSTS	3,454.80	3,375.00	(79.80)	3,454.80	3,375.00	(79.80)	42,706.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	10.22	114.00	103.78	10.22	114.00	103.78	1,368.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 01/31/16			Year To Date 01/31/16			Year Ending 12/31/16
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6520-0000 - Miscellaneous Repair Contractors	2,386.18	3,100.00	713.82	2,386.18	3,100.00	713.82	37,200.00
6525-0000 - Rubbish removal	393.00	500.00	107.00	393.00	500.00	107.00	6,000.00
TOTAL OPERATING EXPENSES	2,789.40	3,714.00	924.60	2,789.40	3,714.00	924.60	44,568.00
UTILITIES							
6450-0000 - Electricity	15.81	240.00	224.19	15.81	240.00	224.19	2,880.00
6451-0000 - Water	75.12	97.00	21.88	75.12	97.00	21.88	1,164.00
6452-0000 - Gas	0.00	167.00	167.00	0.00	167.00	167.00	2,004.00
TOTAL UTILITIES	90.93	504.00	413.07	90.93	504.00	413.07	6,048.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	4,220.00	4,220.00	0.00	4,220.00	4,220.00	0.00	50,640.00
6720-0000 - Property and liability insurance	992.88	993.00	0.12	992.88	993.00	0.12	12,166.00
TOTAL TAXES AND INSURANCE	5,212.88	5,213.00	0.12	5,212.88	5,213.00	0.12	62,806.00
TOTAL OPERATING EXPENSES	13,590.36	15,465.00	1,874.64	13,590.36	15,465.00	1,874.64	190,576.00
NET OPERATING INCOME (LOSS)	9,047.78	6,461.00	2,586.78	9,047.78	6,461.00	2,586.78	77,178.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	2,941.65	2,942.00	0.35	2,941.65	2,942.00	0.35	35,136.00
6850-0000 - Mortgage Service Fee	146.73	147.00	0.27	146.73	147.00	0.27	1,834.00
TOTAL FINANCIAL EXPENSES	3,088.38	3,089.00	0.62	3,088.38	3,089.00	0.62	36,970.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	5,959.40	3,372.00	2,587.40	5,959.40	3,372.00	2,587.40	40,208.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	10.78	0.00	10.78	10.78	0.00	10.78	0.00
Total Partnership Activity	10.78	0.00	10.78	10.78	0.00	10.78	0.00
NET INCOME (LOSS)	5,970.18	3,372.00	2,598.18	5,970.18	3,372.00	2,598.18	40,208.00
Cash Flow - Financing Activities							
7104-0000 - Replacement Reserve	1,366.87	1,367.00	0.13	1,366.87	1,367.00	0.13	16,948.00
7108-0000 - Mortgage Payable (long term)	651.52	652.00	0.48	651.52	652.00	0.48	7,981.00
Total Cash Flow - Financing Activities	2,018.39	2,019.00	0.61	2,018.39	2,019.00	0.61	24,929.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	(1,000.00)	(1,000.00)	0.00	(1,000.00)	(1,000.00)	(14,000.00)
6993-0000 - Appliance Replacement	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6994-0000 - Carpet & tile	0.00	1,000.00	1,000.00	0.00	1,000.00	1,000.00	12,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	3,951.79	1,353.00	2,598.79	3,951.79	1,353.00	2,598.79	15,279.00

Sunset Woods Housing 12
Balance Sheet
January 31, 2016

ASSETS

Current Assets		
FBHP General Checking	\$ 68,889.64	
FBHP Security Dep. Savings	10,587.89	
FBHP Savings	9,190.53	
Tax Reserve	13,262.06	
Accounts Receivable	912.00	
A/R, Transfers	<u>20.00</u>	
Total Current Assets		102,862.12
Property and Equipment		
Building	1,552,988.40	
Appliances	474.17	
Accum Dep Building	<u>(341,105.14)</u>	
Total Property and Equipment		1,212,357.43
Other Assets		
		<u>0.00</u>
Total Other Assets		<u>0.00</u>
Total Assets		<u>\$ 1,315,219.55</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accrued RE Tax	\$ 12,784.40	
Security Deposits	<u>9,835.00</u>	
Total Current Liabilities		22,619.40
Long-Term Liabilities		
Notes Payable, Lake Co	72,231.18	
Notes Payable, FBHP	414,025.30	
Notes Payable, IHDA	<u>136,819.60</u>	
Total Long-Term Liabilities		<u>623,076.08</u>
Total Liabilities		645,695.48
Capital		
Equity-Retained Earnings	666,446.33	
Net Income	<u>3,077.74</u>	
Total Capital		<u>669,524.07</u>
Total Liabilities & Capital		<u>\$ 1,315,219.55</u>

Sunset Woods Housing 12
Income Statement
Compared with Budget
For the One Month Ending January 31, 2016

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	\$ 9,561.00	\$ 8,924.33	636.67	\$ 9,561.00	8,924.33	636.67
Total Revenues	9,561.00	8,924.33	636.67	9,561.00	8,924.33	636.67
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	9,561.00	8,924.33	636.67	9,561.00	8,924.33	636.67
Expenses						
Office Supplies	459.17	8.00	451.17	459.17	8.00	451.17
Management Fee	567.32	580.08	(12.76)	567.32	580.08	(12.76)
Credit Ck Fees	0.00	4.00	(4.00)	0.00	4.00	(4.00)
Government Fees	0.00	95.00	(95.00)	0.00	95.00	(95.00)
Software/Data Processing	25.83	0.00	25.83	25.83	0.00	25.83
Carpet Cleaning	0.00	83.00	(83.00)	0.00	83.00	(83.00)
Heating & Air	0.00	41.00	(41.00)	0.00	41.00	(41.00)
Electrical & Plumbing Maint	110.00	41.00	69.00	110.00	41.00	69.00
Painting & Decorating	0.00	100.00	(100.00)	0.00	100.00	(100.00)
Appliance Repairs	0.00	66.67	(66.67)	0.00	66.67	(66.67)
Supplies	0.00	66.67	(66.67)	0.00	66.67	(66.67)
Maintenance	285.00	100.00	185.00	285.00	100.00	185.00
Condo Assessment Rental Units	3,416.43	2,564.00	852.43	3,416.43	2,564.00	852.43
Cable TV	0.00	540.00	(540.00)	0.00	540.00	(540.00)
Real Estate tax expense	0.00	1,167.00	(1,167.00)	0.00	1,167.00	(1,167.00)
Loan Interest	1,619.51	2,500.00	(880.49)	1,619.51	2,500.00	(880.49)
Bldg Insurance	0.00	217.00	(217.00)	0.00	217.00	(217.00)
Total Expenses	6,483.26	8,173.42	(1,690.16)	6,483.26	8,173.42	(1,690.16)
Net Income	\$ 3,077.74	\$ 750.91	2,326.83	\$ 3,077.74	750.91	2,326.83

Sunset Woods Housing 12
Cash Account Register
 For the Period From Jan 1, 2016 to Jan 31, 2016
 1103M13 - FBHP General Checking

Filter Criteria includes: Report order is by T

Date	Reference	Type	Payee/Paid By	Memo	Payment Amt	Receipt Amt	Balance
			Opening Balance			67,671.39	67,671.39
1/1/16	IHDA1601	Gen. Jrnl.			100.00		67,571.39
1/1/16	Rent1601-1.1.16	Gen. Jrnl.				4,101.00	71,672.39
1/5/16	Rent1601-1.5.16	Gen. Jrnl.				2,284.00	73,956.39
1/8/16	1678	Payment	rcHome	INV# 10287	285.00		73,671.39
1/14/16	Rent1601-1.14.16	Gen. Jrnl.				1,713.00	75,384.39
1/19/16	checks1601	Gen. Jrnl.			219.00		75,165.39
1/20/16	1679	Payment	hodc	mngt fee	594.41		74,570.98
1/21/16	Checks1601	Gen. Jrnl.			213.08		74,357.90
1/25/16	1680	Payment	sunset		60.03		74,297.87
1/26/16	loan16	Gen. Jrnl.			3,379.00		70,918.87
1/26/16	1681	Payment	realPage	acc: A1403000248	25.83		70,893.04
1/26/16	1682	Payment	Ide's	Sunset Woods	110.00		70,783.04
1/27/16	1683	Payment	sunset		3,356.40		67,426.64
1/28/16	Rent1601-1.28.16	Gen. Jrnl.				1,463.00	68,889.64
		Total			8,342.75	9,561.00	

Sunset Woods -January 31, 2016

Ending balance checking	\$71,028
Ending balance operating reserve	\$9,191
TOTAL	\$80,218

SWA 2 Rental
Balance Sheet
January 31, 2016

ASSETS

Current Assets		
FBHP Checking	\$	36,073.68
FBHP Security Dep Savings		2,229.55
Financing Costs		8,135.00
Accounts Receivable		<u>1,058.00</u>
Total Current Assets		47,496.23
Property and Equipment		
Building Unit 231		135,000.32
Building Unit 319		134,999.62
Accum Dep Building		(56,850.86)
Accum Amort Fees		<u>(678.00)</u>
Total Property and Equipment		212,471.08
Other Assets		<u>0.00</u>
Total Other Assets		<u>0.00</u>
Total Assets	\$	<u><u>259,967.31</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Due to Peers Housing Assn	\$	258,832.40
Accrued RE Tax		6,434.84
Security Deposits		<u>2,123.00</u>
Total Current Liabilities		267,390.24
Long-Term Liabilities		<u>0.00</u>
Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		267,390.24
Capital		
Equity-Retained Earnings		(7,565.50)
Net Income		<u>142.57</u>
Total Capital		<u>(7,422.93)</u>
Total Liabilities & Capital	\$	<u><u>259,967.31</u></u>

SWA 2 Rental
Income Statement
Compared with Budget
For the One Month Ending January 31, 2016

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	\$ 1,058.00	\$ 1,910.00	(852.00)	\$ 1,058.00	\$ 1,910.00	(852.00)
Interest Income	0.27	0.00	0.27	0.27	0.00	0.27
Total Revenues	1,058.27	1,910.00	(851.73)	1,058.27	1,910.00	(851.73)
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	1,058.27	1,910.00	(851.73)	1,058.27	1,910.00	(851.73)
Expenses						
Office Supplies	0.00	4.00	(4.00)	0.00	4.00	(4.00)
Management Fee	138.65	124.00	14.65	138.65	124.00	14.65
Software/Data Processing	4.31	0.00	4.31	4.31	0.00	4.31
Heating & Air	0.00	41.00	(41.00)	0.00	41.00	(41.00)
Supplies	0.00	8.00	(8.00)	0.00	8.00	(8.00)
Maintenance	0.00	41.00	(41.00)	0.00	41.00	(41.00)
Condo Asst Rental Units	772.74	626.00	146.74	772.74	626.00	146.74
Cable TV	0.00	90.00	(90.00)	0.00	90.00	(90.00)
Real Estate tax expense	0.00	566.67	(566.67)	0.00	566.67	(566.67)
Bldg Insurance	0.00	33.00	(33.00)	0.00	33.00	(33.00)
Total Expenses	915.70	1,533.67	(617.97)	915.70	1,533.67	(617.97)
Net Income	\$ 142.57	\$ 376.33	(233.76)	\$ 142.57	\$ 376.33	(233.76)

SWA 2 Rental
Cash Account Register
 For the Period From Jan 1, 2016 to Jan 31, 2016
 1103M14 - FBHP Checking

Filter Criteria includes: Report order is by Transaction Date.

Date	Reference	Type	Payee/Paid By	Memo	Payment Amt	Receipt Amt	Balance
			Opening Balance			36,989.38	36,989.38
1/20/16	1169	Payment	hdc	mngt fee	138.65		36,850.73
1/27/16	1170	Payment	realPage	acc: A1403000249	4.31		36,846.42
1/27/16	1171	Payment	sunsetAssn		772.74		36,073.68
		Total			915.70		