

MEMORANDUM

To: Members of the Housing Commission
From: Mary Cele Smith, Housing Planner (msmith@cityhpil.com) and
Lee Smith, Senior Planner (lsmith@cityhpil.com)
Date: January 28, 2011
RE: **HOUSING COMMISSION PACKET FOR 2-2-2011 MEETING**

**Note: Dinner will be served at 6:00 p.m.
The packet contains the following documents:**

Part A. Priority Items

- Regular Meeting Agenda
- **Agenda Item III. (Action Needed) Approval of Minutes**
 - Meeting Minutes for January 5, 2011 Meeting
- **Agenda Item IV. Scheduled Business**
 - **1. (Action Needed) Items for Omnibus Vote Consideration**
 - Approval of invoices:
 - Manning Silverman & Company for response to Harris Bank for \$300.00
 - ComEd for electric service for Sunset Woods #231 for approximately \$12.00
(staff will present the bill at the Meeting, assuming it arrives in time)
 - ComEd for electric service for Sunset Woods #319 for “ ”
 - ComEd for electric service for Sunset Woods #321 for “ ”
 - **2. (Discussion) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
 - December 2010 Management Report for Peers, Ravinia, and Walnut Housing Associations
 - Summary Spreadsheet for Highland Park Housing and the Housing Trust Fund 12/31/2010
 - Report on Capital Improvements. Supporting Materials:
 - Memo from Staff January 26, 2011
 - Highland Park Properties Capital Improvements Completed
 - Ratification of CBIZ engagement letters. Supporting Materials:
 - Memo from Staff January 26, 2011
 - Engagement Letters for Peers, Walnut Place, and Ravinia
 - **3. (Discussion) Discussion regarding Payment-in-Lieu provision of the Inclusionary Housing Ordinance. Supporting Materials:**
 - Memo from Staff January 26, 2011
 - Memo to David Limardi from Lee Smith and Michael Blue, August 18, 2008

Part B. Detailed and Optional Material

- Financial Reports for Peers, Ravinia, and Walnut Housing Associations and for Sunset Woods Housing Association for the month ending December 31, 2010
- Metrostudy Housing Starts Here, *Chicago Executive Summary*, Fourth Quarter 2010

c: David Limardi, City Manager; Michael Blue, Director of Community Development; Linda Sloan, Planning Division Manager; Peter Friedman, Corporation Counsel

PUBLIC NOTICE

In accordance with the Statutes of the State of Illinois, and the Ordinances of the City of Highland Park, the **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, February 2, 2011 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois.**

City of Highland Park
Housing Commission
Wednesday, February 2, 2011, at 6:30 p.m.
AGENDA

I. Call to order

II. Roll Call

III. Approval of Minutes – January 5, 2011 Meeting

IV. Scheduled Business

1. Items for Omnibus Vote Consideration

Ratification of payment:

- Illinois Secretary of State for filing fee for Peers Annual Report for \$10.00

Approval of invoices:

- Manning Silverman & Company for response to Harris Bank for \$300.00
- ComEd for electric service for Sunset Woods #231 for approximately \$12.00 (staff will present the bill at the Meeting, assuming it arrives in time)
- ComEd for electric service for Sunset Woods #319 for “ ”
- ComEd for electric service for Sunset Woods #321 for “ ”

2. Housing Commission Peers, Walnut, Ravinia, Sunset Woods

- Management Report
- Property Operations Report
- Report on Capital Improvements
- Ratification of CBIZ engagement letter for Peers, Walnut and Ravinia audits, tax returns and REAC submission (Ravinia only)
- Report on Lake County energy-efficiency grants for Peers, Ravinia, and Walnut Place
- Report on status of Mark-to-Market refinancing for Ravinia Housing
- Sunset Woods
 - Report on sales/rental status of Sunset Woods Units 231, 319, and 321

3. Report from Working Group on Condominium Conversion Ordinances

4. Discussion regarding the Payment-in-Lieu provision of the Inclusionary Housing Ordinance

V. Executive Session for Matters relating to Real Estate Acquisition and Litigation

VI. Other Business

VII. Adjournment

Draft

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

MEETING DATE: Wednesday January 5, 2011

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

CALL TO ORDER

At 6:30 p.m., Chairman David Wigodner 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 Chairman asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Glasner, Naftzger, Sharfman, and Wigodner
(Note: Commissioner Meek joined the Meeting at 6:34.)

Commissioners Absent: Barber

Chairman Wigodner declared that a quorum was present.

Council Liaison Absent: Lawrence Silberman

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

Others Present: Mr. Hart Passman, Associate, Holland & Knight, Ms. Polly Kuehl,
Vice President, Evergreen Real Estate Services

APPROVAL OF MINUTES

Regular Meeting of the Housing Commission –December 8, 2010

Commissioner Sharfman moved approval of 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 8, 2010.

Commissioner Adler seconded the motion.

On a roll call vote:

Voting Yea: Adler, Glasner, Naftzger, Sharfman, and Wigodner

Voting Nay: None

The Chairman declared that the motion passed.

Commissioner Meek joined the Meeting at 6:34 p.m.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration

Approval of invoices:

1. ComEd for electric service for Sunset Woods #231 for \$11.66

The Commissioners unanimously consented to take a single vote by yeas and nays on a number of items grouped together for voting purposes under the designation "omnibus vote –approval of invoices."

Chairman Wigodner entertained a motion to approve payment of \$11.66 to ComEd and to authorize staff to pay the two other bills expected from ComEd up to \$14.00 each.

Commissioner Adler moved approval of payment for the ComEd invoice of \$11.66 and to approve payment for the anticipated ComEd bills for Sunset Woods Units #319 and #321 up to \$14.00 each. Commissioner Meek seconded the motion.

On a voice vote, Chairman Wigodner declared that the motion passed unanimously.

2. Housing Commission Peers, Walnut, Ravinia, Sunset Woods

Sunset Woods:

Presentation from the Sunset Woods Condominium Association President

Larry Servi, Sunset Woods Condominium Association President, discussed the possibility of a temporary waiver of the age requirement for condominium owners at Sunset Woods. There is interest from a number of owners in reducing the age limit to 59 or 60 years of age from 62 years during this difficult housing market. Chairman Wigodner explained that the age requirement is part of the condominium declaration, and any change would require a 2/3 vote of approval from the condominium owners as well as notification to their mortgage lenders. In addition, there is a concern that some of the funders for the development may have stipulated an age requirement as a condition of their financial contribution. The Housing Commission, through the Sunset Woods Association, owns fifteen units at present: twelve are permanent affordable rentals, and three were acquired in the resale process. The Housing Commission has not discussed or considered any changes to the condominium declaration, and, as a consequence does not have a position on the issue at this time.

Chairman Wigodner recognized Gail Friedman who inherited a Sunset Woods condominium. Ms. Friedman expressed interest in modifying the condominium declaration to permit some number of owners to rent their condominiums. Chairman Wigodner suggested that Ms. Friedman attend the next Condominium Association Meeting to gauge the interest among other owners for this proposal.

Chairman Wigodner directed staff to contact two of the original partners in the development, the Housing Opportunity Development Corporation and Brinshore Development, to find out if they know whether there are any funding restrictions regarding the age requirement.

EXECUTIVE SESSION FOR DISCUSSION OF THE LEASE OF PROPERTY THAT THE HOUSING COMMISSION OWNS

At 6:59 p.m., Commissioner Adler made a motion to close the regular meeting to the public pursuant to Section 2(c) of the Illinois Open Meetings Act (5 ILCS 120/2(c)) and to adjourn to Executive Session for the purpose of discussing the lease of property that the Housing Commission owns. Commissioner Naftzger seconded the motion. Planner M. Smith called the roll.

On a roll call vote:

Voting Yea: Adler, Glasner, Meek, Naftzger, Sharfman, and Wigodner

Voting Nay: None

The Chairman declared that the motion passed.

At 9:15 p.m. Commissioner Glasner made a motion to close the Executive Session and to reopen the regular meeting. Commissioner Sharfman seconded the motion.

The Chairman declared that the motion passed unanimously.

The Chairman asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Glasner, Meek, Naftzger, Sharfman, and Wigodner

Commissioners Absent: Barber

Chairman Wigodner declared that a quorum was present.

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

Sunset Woods:

Consideration of Accounting Services Proposal from Manning Silverman

Chairman Wigodner entertained a motion to approve the accounting services proposal from Manning Silverman & Company. Commissioner Meek moved approval of Manning Silverman & Company's 2010 audit and tax preparation proposal for \$5,250 plus any applicable out-of-pocket expenses for the Sunset Woods Association. Commissioner Naftzger seconded the motion.

On a voice vote, Chairman Wigodner declared that the motion passed unanimously.

Sunset Woods:

Report on sales/rental status of Sunset Woods Units 231, 319, and 321

Planner M. Smith reported that a closing is scheduled for Unit 321 on February 2, 2011. There was no activity on the other two condominiums.

Management Report

The Management Report was in the packet.

Property Operations Report

The financial statements were in the packet.

Consideration of Draft 2011-2015 Capital Improvements for Peers and Walnut Place

Chairman Wigodner summarized the Plans and then entertained a motion to approve the 2011-2015 Capital Improvement Plans for Peers and Walnut Place. Commissioner Naftzger moved approval of the 2011-2015 Capital Improvement Plans for Peers and Walnut Place. Commissioner Adler seconded the motion.

On a voice vote, Chairman Wigodner declared that the motion passed unanimously.

Report on Lake County energy-efficiency grants for Peers, Ravinia, and Walnut Place

Planner M. Smith reported that the energy-efficiency improvements for Ravinia Housing were underway. These include new furnaces for the town houses, wall and attic insulation for all the homes, and replacement of the kitchen greenhouse windows in the townhomes with conventional windows that are energy-efficient. There is one townhome on St. Johns that is over income for the HUD weatherization program. The question is whether the Housing Commission would want to pay for the furnace and window from the property's operating funds. The Commissioners concurred that the Ravinia Housing Association would pay for the furnace and window replacement for this townhome on St. Johns.

Report on status of Mark-to-Market refinancing for Ravinia Housing

Evergreen Real Estate Services is waiting for the refinancing proposal that Signet, consultant to U.S. Housing and Urban Development (HUD), is preparing that includes conventional rehab of the property. As this information becomes available, Ms. Kuehl will send it to Commissioners Adler and Wigodner, the members of the Building and Grounds and Capital Planning Working Group, for their review. The Commissioners asked staff to confirm that Signet received an extension from HUD for the project.

3. Report from Working Group on Condominium Conversion Ordinances

Commissioner Meek summarized the issues the Working Group (Commissioners Meek and Naftzger) discussed. Planner M. Smith reported that staff met with Community Development Director Michael Blue to get his feedback on the suggestions from the Working Group. Staff will schedule the next Working Group Meeting in the coming month.

OTHER BUSINESS

Appointment of Commissioner Kathryn Naftzger as Secretary

Chairman Wigodner appointed Commissioner Kathryn Naftzger as Housing Commission Secretary, replacing Commissioner Jami Sharfman who is now Vice Chair.

Discussion regarding Affordable Unit at the Pointe formerly known as Lake Cook Courts

Commissioner Sharfman discussed the concerns raised from the construction problems that the affordable-unit owner is experiencing at Lake Cook Courts. Many market-rate unit owners also reported construction defects, and a number of owners there are discussing filing a class action law suit. Staff agreed that experience is demonstrating the need for additional inspection of the affordable housing units in the Inclusionary Housing program in order to insure their quality and affordable maintenance for the purchasers.

ADJOURNMENT

Chairman Wigodner entertained a motion to adjourn the meeting. Commissioner Glasner moved to adjourn. Commissioner Meek seconded the motion.

On a voice vote, Chairman Wigodner declared that the motion passed unanimously.

The Housing Commission adjourned its meeting at 9:44 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner

PEERS HOUSING ASSOCIATION

1150 HALF DAY ROAD.
HIGHLAND PARK, IL 60035

70-2533-719

DATE 1/25/11

PAY
TO THE
ORDER OF

Illinois Secretary of State

\$ 10.00

Ten and 00/100

DOLLARS

 Security Features
Included
Only on \$10.

HIGHLAND PARK BANK
& Trust Company
A Branch of Lake Forest Bank & Trust Co.
1949 St. Johns Avenue
Highland Park, IL 60035

Handwritten signature

FOR Annual Report file # N5627-453-7

MP

⑈001038⑈ ⑆071925334⑆ ⑈8200011321⑈

FILING FEE IS \$10.
IF LATE, ADD PENALTY OF \$3.

General Not For Profit Corporation Act

ANNUAL REPORT
(Form NFPCAF - Rev. 09/30/2009)

** THIS REPORT CAN BE FILED ON-LINE @ www.cyberdriveillinois.com WITH AN EXPEDITED FEE. **
(USE BLACK INK)

04-15-03
COOK COUNTY

PEERS HOUSING ASSOCIATION
% BRUCE PHILLIP MASON
1033 SKOKIE BLVD #250
NORTHBROOK IL 60062

- Item 1. Verify that the corporate name is correct.
- Item 2. Verify that the name of the registered agent and the address of the registered office are correct. You cannot change the registered agent and/or registered office on the annual report form printed below. In order to change the registered agent and/or registered office, it will be necessary to file with the Secretary of State form NFP 105.10/105.20. Mail the NFP 105.10/105.20, Annual Report and \$5 filing fee TOGETHER in the SAME envelope. This form can be downloaded from our internet web site at www.cyberdriveillinois.com. Click on "Departments", then "Business Services" then "Publications and Forms".
- Items 3(a), 3(b). Verify printed information is correct.
- Item 4. Must set forth the names and addresses of all officers and directors of the corporation as of the date of signing. **ILLINOIS CORPORATIONS MUST HAVE AT LEAST THREE (3) DIRECTORS!** If there are additional officers and/or more than three directors, you must attach a list to this report setting forth all other name(s), title(s) and address(es). Please write the file number on all attachments.

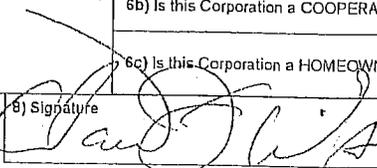
- Item 5. Please complete this item.
- Item 6. Please mark the appropriate box where indicated in response to the following questions:
- (a) Is this corporation a **CONDOMINIUM** Association as established under the Condominium Property Act?
- (b) Is this corporation a **COOPERATIVE HOUSING CORPORATION** defined in Section 216 of the Internal Revenue Code of 1954?
- (c) Is this corporation a **HOMEOWNER'S ASSOCIATION** which administers a Common Interest Community as defined in Subsection (c) of Section 9-102 of the Code of Civil Procedure?
- Item 7. Please complete this item.
- Item 8. **THIS REPORT MUST BE SIGNED BY A DULY AUTHORIZED OFFICER OF THE CORPORATION!** Please type or print the name and title of the officer signing this report as well as the date of signing.

DETACH AT PERFORATION - DO NOT SUBMIT A PHOTOCOPY

Page #: 001129

1) Corporate Name PEERS HOUSING ASSOCIATION		File Number N 5627-453-7	
4) President Name/Address SEE ATTACHED LIST		3a) Date of Inc./Qual. 02-08-1991	
Secretary Name/Address 		3b) State of Inc. ILLINOIS	
Treasurer Name/Address 		Annual Report General Not For Profit Corporation Act	
Director Name/Address 			
Director Name/Address 			
Director Name/Address 			
5) Brief Description of the corporation's activities: BENEVOLENT AND CIVIC PURPOSES		Year of: 2011	
7) Principal Address of the Corporation (Street, City, State, Zip Code) 1150 HALF DAY ROAD, HIGHLAND PARK, IL 60035			
2) Registered Agent % BRUCE PHILLIP MASON 04-15-03 1033 SKOKIE BLVD #250 NORTHBROOK IL 60062 COOK COUNTY		6a) Is this Corporation a CONDOMINIUM ASSOCIATION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
		6b) Is this Corporation a COOPERATIVE HOUSING CORP.? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
		6c) Is this Corporation a HOMEOWNER'S ASSOCIATION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	

Under the penalty of perjury and as an authorized officer, I declare that this annual report, pursuant to the provisions of the General Not For Profit Corporation Act, has been examined by me and is, to the best of my knowledge and belief, true, correct and complete.

8) Signature  Title **President** Date **1/19/11**

SECRETARY OF STATE JESSE WHITE
STATE OF ILLINOIS

General Not For Profit Corporation Act

ANNUAL REPORT
(Form NFPCAB - Rev. 03/10/2009)

NOTICE

The filing fee is \$10, payable to the "Secretary of State". Add penalty of \$3 if the annual report is late. Enter the total due where indicated below on the annual report.

Definitions: "Anniversary" means that day each year exactly one year or more after:

(1) The date stamped on the Articles of Incorporation filed under Section 102.15 of the General Not For Profit Corporation Act, in the case of a domestic corporation.

(2) The date stamped on the Application for Authority filed under Section 113.20 of the General Not For Profit Corporation Act, in the case of a foreign corporation.

"Anniversary Month" means the month in which the anniversary of the corporation occurs.

CHECKLIST:

Items 4, 5, 6 and 7 have been completed. ✓

Item 8 is signed by a duly authorized officer. ✓

A check for the total due is enclosed. ✓

Write File Number on check. Do not staple or paper clip check to the annual report. ✓

RETURN TO:

Jesse White, Secretary of State
Department of Business Services
Springfield, IL 62756
Telephone (217) 782-7808
www.cyberdriveillinois.com

Restart #: 020322

Corporate Name	PEERS HOUSING ASSOCIATION		
File Number	N 5627-453-7		
File Prior To:	2-1-2011		
FILING FEE		\$10.00	
LATE FEE IS \$3.00			
Total Due		\$10.00	

Jesse White Secretary of State
Department of Business Services
501 S 2nd Street Rm 328
Springfield IL 62756-5520

562745370215201101300010004

MANNING SILVERMAN
& CO.

CERTIFIED PUBLIC ACCOUNTANTS
175 OLDE HALF DAY ROAD, STE 290
LINCOLNSHIRE, IL 60069
(847) 459-8850

SUNSET WOODS ASSOCIATION
C/O LEE SMITH
CITY OF HIGHLAND PARK
1150 HALF DAY ROAD
HIGHLAND PARK, IL 60035

January 15, 2011

PLEASE NOTE: THERE WILL BE A 2% CHARGE ON ALL OVERDUE BALANCES PER MONTH.

Invoice #200904571

Response to Inquiry Made to Richard Koenig of HODC
from Lender Regarding Prior Financial Statement
Presentation and Disclosures

300.00

For professional services rendered

\$300.00

Balance due

\$300.00



EVERGREEN

Real Estate Services, L.L.C.

566 West Lake Street, Suite 400
Chicago, IL 60661-1414

www.evergreen-housing.com
Phone: 312-234-9400
Fax: 312-382-3220

MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent

RE: December Management Report

DATE: January 26, 2011

A revised scope of work was submitted to Signet for the Ravinia "refinancing" and the cost estimates are within the required \$17,500/unit. Signet will be submitting a revised refinancing package to HUD at the end of January and numbers should be available for owner review in early February. The 6-month HAP Contract extension has been signed and returned to HUD so that there will be no interference with receipt of subsidy money.

Frank B. Peers

Occupancy: There is 1 vacancy (#415) which became available on January 1, 2011. Five applicant households are being processed for Peers and Walnut vacancies.

Physical: The property experienced no emergency maintenance in December. Other than routine maintenance requests, the only other task that was completed was replacement of the smoke alarms, as per the capital plan.

Social Programs: Residents participated in routine social programs, i.e. bingo, move nights, luncheons, coffees and commodity food distribution. In addition, there was a Holiday party with entertainment (piano and singer) and the pizza New Year's Eve party.

Financial: Net Operating Income (NOI) for the month was negative to budget by (\$3,756) and YTD NOI is positive to budget by \$104,094. It should be noted that available "cash" on the Balance Sheet is approximately \$12,834. Cash was used to cover the capital expenditures for the year (\$18,688 in December). The Gain YTD was approximately \$12,030. Owner funds were not required to accomplish the capital work in 2010.

Income – Although Income was positive to budget for the month, it was due to adjustments made to the balance sheet before the end of year audit (reflected as Miscellaneous Other Income).

Expenses – There were several line items that were negative to budget during the month:

- Office Equipment (#6316) – The annual Marlin Lease for the copy machine was expensed in December (\$920).
- Travel Reimbursement (#6431) – This line item was under budgeted for 2010; however, Evergreen is reducing the mileage reimbursement amount from the IRS figure (approximately \$0.51/mile) to \$0.40, effective with the January expense reports, which should help to reduce this line item in the future.
- Payroll Related Line Items – December was a 3 payroll month. YTD payroll expenses were under budgeted for Health Insurance and Employee Benefits.
- Rubbish Removal (#6525) – This reflects two months of bills.
- Grounds Contractor (#6537) – This reflects the fall clean-up invoice. The YTD figure for Grounds was over budget as it included materials (plantings and flowers) that had been budgeted under Grounds Supplies (#6536). Overall, landscaping costs were positive to budget for the year.
- Heating/Cooling (#6546) – This reflects Emcor's quarterly maintenance agreement costs and minor repairs.
- Decorating (#6560) – This reflects turnover painting of 3 units and touch-up painting of 11 units.
- Capital Expenditures (#6991 and #6995) – These line items reflect payment for the smoke detectors and carpet for the community room and hallway.

Walnut Place

Occupancy: There are 2 vacancies (#204 and #415). Unit #204 was vacant in December and #415 became vacant after the holidays. Five applicant households are in processing for both the Peers and Walnut vacancies. We anticipate another vacancy in late January due to a death.

Physical Site: Only routine maintenance was done during the month. There is a correction to the HVAC replacement work described in the December report. While the equipment has been received and is awaiting installation, the installers need slightly warmer temperatures because the boilers will have to be shut-down for two days to complete the replacement.

Social Programs: Similar to Peers, Walnut Place had bingo, monthly luncheon and food distribution. Similar holiday parties were held at Walnut with entertainment.

Financial: **Net Operating Income (NOI) for the month was slightly positive to budget by \$747 and YTD NOI is positive to budget by \$54,532.**

Income – Income was positive to budget, but this was caused by the adjustments made to Balance Sheet line items in preparation for the audit (reflected under Misc. Other Income).

Expenses – Line items that were negative to budget for the month include:

- Office Equipment (#6316) – Same as above
- Travel Reimbursement (#6431) – Same as above
- Payroll Related Line Items – Same as above
- Refuse (#6525) – Same as above
- Landscaping Contract (#6537) – This reflects the final bill for fall clean-up
- Snow Removal (#6548) – This reflects the accrual for December snow removal
- Decorating (#6560) – This reflects touch-up painting of 5 apartments and 1 townhome unit.

Ravinia Housing

Occupancy: There continues to be one vacancy (743 Pleasant Avenue) – vacant for 1.5 months. As was discussed in a previous report, the unit required significant repair and replacement. Two families are being processed for this unit.

Physical Site: There were no major repairs during the past month. Weatherization work at St. John's should begin shortly (furnace replacement, kitchen window replacement and insulation).

Social Programs: Ravinia residents and Walnut townhome residents attended a holiday party on 12/20/10, which included a magician and presents for the children.

Financial: Net Operating Income (NOI) for the month is positive to budget by \$12,983 and YTD NOI is positive to budget by \$62,836.

Income – Income for the month is positive to budget due to receipt of an insurance check from the tenant's insurance company (Pleasant) toward repair of the storage building. This amount is reflected under Miscellaneous Other Income.

Expenses – The following line items experienced negative variances for the month:

- Office Supplies (#6311) – This relates to bulk purchasing of supplies in December. YTD is close to break-even.
- Bad Debt (#6370) – HUD does not have a line item in its budget format for "bad debt", which is why any write-offs are reflected as negative variances.
- Payroll Related Line Items – Same as above.
- Repairs Contract (#6520) – This reflects the "net" amount of reversing 2009 accruals (\$8,814) and actual costs of \$2,000 for Mosaic (preparation of scope of work and costs for the refinancing), two months of landscaping costs and fall clean-up (\$1,976), plumbing repairs (\$1,012) and window repairs (\$2,322) – resulting in a negative amount in this line item.
- Capital Expenditures (#6991) – This reflects the "net" amount of reversing the 2009 accruals (\$19,148) and the cost for repair of the storage building (\$9,318)

Highland Park Housing Commission																	
Reserve Balances																	
Date:							12/31/2010										
Account Name		Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL										
Checking (Property)		12,834	4,152	49,955	10,378												
Security Deposit		18,557	20,301	6,981	10,402												
Replacement Reserve		126,171	117,778	41,942	0												
Residual Receipts		14	27,042	444,560	0												
Operating Reserve		0	0	0	18,986												
Association Money Market Checking			104,177	144,111	175,908												
Association Small Business Checking		87,400			12,564												
Association Receivable/(Liability)		394,849			-386,543												
Association CDs																	
CD #1		502,376															
CD #2		503,167															
Association MaxSafe Money Market		913,822															
TOTAL		2,559,190	273,450	687,549	-158,305	1,025,841	4,387,725										
*Net income after deducting program costs and expenditures/obligations.																	
Beginning Balance 01/01/2010																	
																\$1,281,527	
2010 Revenue				Demolition Tax												\$93,338	
				Demolition Permit												\$12,000	
				Interest												\$1,714	
				Contributions/Donations/Other												\$0	
				Proceeds of Ceding Volume Cap												\$0	
				Annual Revenue To Date 2010												\$107,052	
2010 Program Costs -Housing Planner (\$28206), Scattered Site Grant (1245 Eastwood: \$65,000; 1733 Rosemary: \$16,105; 598 Barb																(\$134,526)	
Ending Balance as of 12-31-10																\$1,254,053	
Pending Obligations:																	
Set aside of grant funds for Scattered Site Dev.																(\$161,512)	
Set aside of matching funds for Empl. Asst. Hsg.																(\$50,000)	
Housing Planner																(\$2,700)	
HPICLT Operating Grant for 2009																\$0	Removed \$45,000 obligation based on CPAH direction
Emergency Housing Setaside																(\$10,000)	
Legal Fees																(\$4,000)	
Total Pending Obligations																(\$228,212)	
Estimated Net Housing Trust Fund																\$1,025,841	

MEMORANDUM

To: Housing Commission

From: Mary Cele Smith, Housing Planner

Date: January 26, 2011

RE: Report on Capital Improvements

Since 2007, the Housing Commission has embarked on extensive capital improvement plans for the two Section 8 developments that it owns, Frank B. Peers Senior Housing and Ravinia Family Housing, along with the Section 8 development that it operates, Walnut Place. Evergreen Real Estate Services staff is aggressively implementing the capital improvements, many of which are energy-efficiency replacements and upgrades.

Among the highlights of this program, outside funding sources paid for the majority of the energy-efficiency improvements. City staff identified the opportunities for energy audits from the Center for Neighborhood Technology (CNT) and a matching grant from the Community Investment Corporation (CIC). As a result, the Housing Commission obtained \$45,000 from CIC toward the \$90,000 cost of new energy-efficiency boilers at Peers Housing. Evergreen Real Estate Services staff identified the opportunity for federal weatherization funds for additional energy-efficiency improvements and replacements. The CNT audits proved useful for securing this funding administered through Community Action Partnership of Lake County (CAPLC). CAPLC provided \$261,389 for two projects at Walnut Place: two new boilers and numerous double hung window replacements. In addition, CAPLC is providing \$83,200 to the 17 homes of Ravinia Housing for new furnaces, attic and wall insulation, and energy-efficient window replacements for the greenhouse windows.

In summary, the value of the capital improvements completed for the three developments is over \$1,156,200, and of that figure, the amount provided by Community Action Partnership of Lake County (CAPLC) and the Community Investment Corporation (CIC) was \$344,589. Over one-third of the cost of the capital improvements came from outside funding sources.

	<u>Total value</u>	<u>Contribution from Outside Sources</u>
Peers Housing	\$444,900	\$45,000 contributed from CIC
Walnut Place	\$489,900	\$261,000 contributed from CAPLC
Ravinia Housing	\$221,400	\$83,200 contributed from CAPLC

The attached list provides more detail on the rehabilitation and improvement work carried out to date.

Highland Park Properties

Capital Improvements Completed

January 23, 2011

Evergreen Real Estate Services has completed the following capital improvements for the Highland Park properties, as well as initiating action to secure funding for some tasks.

Frank B. Peers

- Boiler Replacement - Applied for and received a CIC grant to fund 50% of the replacement cost for the two boilers (total cost approximately \$90,000; savings to property = \$45,000)
- Kitchen Replacement – Initiated a phased-in kitchen replacement program including cabinets, countertops, sinks/faucets, backsplash, flooring. Approximate cost/kitchen is \$8,900 per kitchen, completed 31 units (\$275,900)
- Replacement of 32 bathroom vanities
- Replaced the rooftop HVAC (\$24,000)
- Smoke Detector devices – Replaced all apartment smoke detectors (\$11,400) and up-graded common area smoke detectors
- Entry System – Replaced both the front and rear entry call systems (\$6,800)
- Hallway Renovation – Paint and carpet
- Community Room Carpet – Replaced Community Room Carpet (\$6,800)
- Carpet Replacement and Cycle Painting – 24 units carpeted; 25 painted
- Switchgear – Replaced (\$7,500)
- Exterior Lighting – Replaced exterior bollard lighting in rear of building (\$8,500)
- Replaced domestic hot water heater (\$14,000)

Walnut Place

- Parking Lot – Resurfaced the parking lot and additional concrete work; upgraded handicap ramps (\$70,000)
- Rooftop HVAC – Replaced (\$34,000)
- Windows – Utilized weatherization funds to replace the double hung windows in all of the bedrooms as well as the side double hung windows in the end units. The funds were from a federal weatherization program administered through Community Action Partnership of Lake County. (The combined value of the windows and boilers was \$261,389; savings to the property was \$261,389.84)
- Boilers – Utilized weatherization funds to replace the two heating boilers in the main building. The funds were from a federal weatherization program administered through Community Action Partnership of Lake County. (The combined value of the windows and boilers was \$261,389; savings to the property was \$261,389.84).
- Domestic Hot Water Boiler – Replaced (\$14,000)
- Laundry Room Renovation – dryer venting, wallpaper, paint
- Hallway Renovation – Painting (\$16,000)
- Kitchen – Initiated a phased-in kitchen replacement project including cabinets, countertops, sink/faucets, backsplash, flooring. 19 kitchens completed (\$169,100)
- Bathrooms – Replaced 12 vanities(costs included above with the kitchens)
- Exterior Lighting – Replacement of exterior bollards and building lights
- Cycle Painting – 12 units and 2 townhomes (not including turnover painting)
- Cycle Carpet – 13 units and 1 townhome (not including turnover replacement)

Ravinia Housing

- Windows – Replaced all windows in the two houses at St. John's (\$15,000)
- Kitchen – Replaced the kitchen in the 4 bedroom house and bathrooms in both houses (\$48,000)
- Kitchen – Partial kitchen replacements in 3 townhomes (\$6,000)

- Lead-Based Paint – Remediated lead-based paint issues in both houses (\$20,000)
- Electrical – Up-Graded the electrical panels in both houses (\$23,000)
- Boilers – Heating boiler replacements in both houses (\$21,000)
- Cycle Painting – All 15 townhomes were painted in 2009
- Up-graded trash bins enclosures at St. John’s and installed sidewalk railings at Pleasant
- Energy-efficiency improvements underway in January 2011 include:
 - Attic and wall insulation for all 17 homes,
 - Energy-efficient window replacement for 15 townhomes, and
 - New furnaces for 15 townhomes.

The total value of these energy efficiency-improvements is \$88,400. Of the \$88,400, \$83,200 is covered through the federal weatherization program administered through the Community Action Partnership of Lake County. (savings to the property = \$83,200).

MEMORANDUM

To: Housing Commission

From: Mary Cele Smith, Housing Planner

Date: January 26, 2011

RE: Ratification of CBIZ engagement letters for Peers, Walnut Place, and Ravinia audits, tax return preparation, and REAC submission (Ravinia only)

Attached are the engagement letters for services from CBIZ MHM, LLC. You will recall that you discussed and approved them at a previous meeting. Ms. Polly Kuehl, Senior Vice President, Evergreen Real Estate Services, negotiated cost reductions from the initial proposal from CBIZ that results in a savings of \$3,950.

Chairman Wigodner executed these engagement letters earlier this month. To summarize, the costs are:

Frank B. Peers

Tax preparation = \$2,500 (see the first set of documents for Peers, page 2 of 10)

Audit = \$11,600 (see second set of documents, page 6 of 14)

Total = \$14,100

Walnut Place

Tax Preparation = \$1,100 (see the first set of documents for WP, page 2 of 10)

Audit = \$10,400 (see second set of documents, page 5 of 13)

Total = \$11,500

Ravinia Housing

REAC submission = \$800 (this page is missing, I will ask Polly for it)

Tax Preparation = \$1,100 (see the second set of documents, page 2 of 10)

Audit = \$8,100 (see third set of documents, page 6 of 13)

Total = \$10,000

January 4, 2011

copy

Ms. Polly Kuehl
Vice President/Property Management
Evergreen Real Estate Services
566 West Lake Street
Suite 400
Chicago, IL 60661

Dear Ms. Kuehl:

CBIZ MHM, LLC ("CBIZ MHM") is pleased to provide **Peers Housing Association** with professional tax services. This engagement letter, and the attached Terms and Conditions of Services, embodies the entire agreement regarding tax return preparation services to be rendered by CBIZ MHM.

You are providing your primary contact, financial and business information in order to permit CBIZ MHM to offer you tax and business suggestions when CBIZ MHM deems it appropriate or advantageous to you. You confirm that this service, while creating no duty on the part of CBIZ MHM, is a benefit to you that is separate from and in addition to any tax return preparation services. We will prepare the following tax returns for **Peers Housing Association** for the year ended December 31, 2010 from financial and tax information that you will furnish to us:

- U.S. Return of Organization Exempt from Income Tax, Form 990
- Illinois Return of Organization Exempt from Income Tax Form AG 990-IL

While it is our intention to suggest tax and business ideas or services to you, this engagement generally does not include the rendering of any specific tax consulting services. However, we may provide, at your request, limited tax consulting services including, but not limited to, tax projections, responding to inquiries or tax examinations by any governmental agency or tax authority, assisting you in maintaining your accounting and depreciation records, reviewing proposed or completed transactions, or tax research in connection with these matters. These limited consulting services will be subject to the attached Terms and Conditions of Services and our fees for these additional services will be based upon our prevailing hourly rates effective at the time the services are provided, plus administrative and processing charges, unless otherwise agreed to by both parties.

If you ask us to perform other services that are not covered by this, or any other, engagement letter, you agree that any such engagements or services performed as a result of such requests are subject to the attached Terms and Conditions of Services.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible. However, there can be no assurance that any tax positions taken will not be challenged. Our tax advice is based on our assumption (without independent verification) that all of the representations and all of the originals, copies, and signatures of documents reviewed by us are accurate, true, and authentic and the law, regulations, cases, rulings, and other tax authority in effect as of the date the services were rendered. If there are subsequent changes in or to the foregoing tax authorities (for which we shall have no

Ms. Polly Kuehl
January 4, 2011
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responsibility to advise you), such changes may result in our advice being rendered invalid or necessitate (upon your request) a reconsideration of the advice.

You represent and warrant that the information you are supplying to us is accurate and complete to the best of your knowledge as required for the preparation of complete and accurate tax returns. You should retain all documents that form the basis for the information presented on tax return forms and schedules, elections and disclosures, including proper records to support deductions claimed for meals, entertainment, travel, gifts, charitable contributions, and vehicle use (if applicable). These may be necessary to prove the accuracy and completeness of the returns to taxing authorities. You have the final responsibility for the above tax returns and, therefore, you should review them carefully before you sign them. Please refer to Section D of the attached Terms and Conditions of Services for additional information.

Our fees for these tax services will be based on the fee quote contained in this paragraph, plus administrative and processing charges. Based on the information provided by you to us regarding the nature and scope of this engagement, the fee is \$2,500. This quote is dependent upon the accuracy and completeness of the information provided by you to us regarding the nature and scope of this engagement, as well as upon anticipated cooperation from your personnel, and the ready availability of all information necessary for us to complete the engagement. If the information provided by you to us regarding the nature and scope of this engagement is not accurate or complete, we do not receive the anticipated cooperation of your personnel, or if the information necessary for us to complete this engagement is not readily available to us, we will discuss this with you and arrive at a revised fee quote. Please refer to Section E of the attached Terms and Conditions of Services for additional information.

If you agree with the terms of our engagement as described in this letter and the attached Terms and Conditions of Services, please sign the enclosed copy of this letter and return it to us. However, if there are any additional tax returns you expect us to prepare, please inform us by noting so at the end of the returned copy of this letter.

We want to thank you for using CBIZ MHM, LLC and look forward to a long and mutually satisfying relationship.

Very truly yours,

CBIZ MHM, LLC



David M. Barrash
Managing Director
DMB:dml
Enclosures

Ms. Polly Kuehl
January 4, 2011
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Accepted by: **Peers Housing Association**

Paul Puffin
Signature

1/10/11
Date

President
Title

Additional tax returns: _____

Ms. Polly Kuchl
January 4, 2011
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TERMS AND CONDITIONS OF SERVICES

A. Services. These Terms and Conditions of Services and the engagement letter to which these terms are appended constitute the entire agreement between you and CBIZ MHM for the tax services to be rendered. As used herein, the term "tax services", includes only the tax services as described in the attached engagement letter. All decisions in connection with the implementation of CBIZ MHM's tax services in connection with this engagement shall be your responsibility.

B. Third Parties and Internal Use. Except as otherwise agreed, all tax services hereunder shall be solely for your internal purposes and use, and this engagement does not create privity between CBIZ MHM and any person or party other than you (a "third party"). This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the tax services provided by CBIZ MHM. In order to protect CBIZ MHM from any unauthorized reliance or claims, you further agree that the tax services provided by CBIZ MHM shall not be distributed, made available, circulated, or quoted to or used by any third party without the prior written consent of CBIZ MHM. However, nothing in this paragraph shall be construed as limiting or restricting such disclosure for your tax return filing purposes. You agree to hold CBIZ MHM harmless from any claims or liability that may arise out of or result from CBIZ MHM complying with your request to disclose or share your information with third-parties.

C. Confidentiality. To the extent that, in connection with this engagement, CBIZ MHM comes into possession of any information of yours identified as proprietary or confidential, CBIZ MHM will not disclose such information to any third party without your consent, except (a) as may be required by law, regulation, judicial or administrative process, in accordance with applicable professional standards, or in connection with litigation pertaining hereto, or (b) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by CBIZ MHM in breach hereof, (ii) is disclosed by you or your personnel to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to CBIZ MHM on a non-confidential basis from a source other than you or your personnel which CBIZ MHM does not believe is prohibited from disclosing such information to CBIZ MHM by obligation to you, (iv) is known by CBIZ MHM prior to its receipt from you without any obligation of confidentiality with respect thereto, or (v) is developed by CBIZ MHM independently of any disclosures made by you or your personnel to CBIZ MHM of such information.

We may disclose the information you provide to us in connection with the preparation of your tax return ("Information") to Mayer Hoffman McCann P.C. ("MHM PC"), so that MHM PC can provide you with any attest services you have engaged MHM PC to perform. You authorize MHM PC to provide us access to all of your files and accounting, tax, financial and other information in its possession for the purpose of providing all tax services requested.

We may use subcontractors, which may be located outside the U.S., to assist us in the preparation of our clients' tax returns. In order to safeguard the confidentiality of client information, both CBIZ MHM and

Ms. Polly Kuehl
January 4, 2011
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any subcontractors we may use have established internal policies, procedures and controls designed to maintain data security and protect privacy. We will not utilize a subcontractor without a written confidentiality agreement in place to prevent the unauthorized release of client information.

We may disclose the Information to any company, or any employee of such company, that is owned or controlled, directly or indirectly, by CBIZ, Inc. ("Affiliate"). We may use the Information for a number of purposes in our efforts to provide you with access to the different types of services offered by our Affiliates, including where appropriate, tax consulting, general business consulting, retirement or estate planning, business succession, asset acquisition or disposition, payroll, benefits, insurance, wealth management and investing, human resources, accounting, valuation, internal audit, mergers and acquisitions, and technology consulting. You have the right to limit the Information you wish to have used or disclosed. We may use the Information to compile lists in order to provide you with tax or business information, newsletters or other correspondence determined from the Information to be relevant to you or your industry, and information on other products or services offered by our Affiliates. If your tax return involves the preparation of Forms K-1, we may provide a copy of Form K-1 to the person described thereon. We may also use and disclose the Information as subsequently requested or directed by you. We will not disclose Information to any person who is not an Affiliate without obtaining a separate consent to such disclosure except (a) as otherwise specifically provided herein, or (b) at your request or direction. Unless you specify otherwise, the consent to the use and disclosure of the Information provided herein will be valid until the statute of limitations to assess any tax by the Internal Revenue Service with respect to the tax return has expired.

D. Client Responsibilities. You are responsible for making all financial records and related information available to us. CBIZ MHM shall be entitled to assume, without independent verification, the accuracy of all representations, assumptions, information and data that you and your representatives provide to CBIZ MHM. All assumptions, representations, information and data to be supplied by you and your representatives will be complete and accurate to the best of your knowledge. CBIZ MHM may use information and data furnished by others; however, CBIZ MHM shall not be responsible for, and CBIZ MHM shall provide no assurance regarding, the accuracy and completeness of any such information or data. Except as specifically provided herein, CBIZ MHM shall not assume any responsibility for any financial reporting with respect to the tax services provided hereunder. You acknowledge and understand that CBIZ MHM is providing no attest services of any kind, scope or nature whatsoever, as part of this engagement. CBIZ MHM shall have no responsibility to address any legal matters or questions of law in connection with this engagement. See section C above for additional information regarding confidentiality.

You shall cooperate with CBIZ MHM in the performance by CBIZ MHM of its tax services hereunder, including, without limitation, providing CBIZ MHM with reasonable facilities and timely access to data, information, and your personnel. You shall be responsible for the performance of your personnel and agents and for the accuracy and completeness of all data and information provided to CBIZ MHM for purposes of the performance by CBIZ MHM of its tax services hereunder.

E. Fees and Payment. Our invoices for these tax services will be rendered each month as work progresses and are payable on presentation. If properly submitted invoices are not paid within 30 days of

Ms. Polly Kuehl
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the invoice date, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law. Without limiting its rights or remedies, CBIZ MHM shall have the right to halt or terminate entirely its tax services until full payment is received on such past due invoices. In the case of nonpayment, you will be liable for any and all costs and fees incurred by CBIZ MHM to collect the fees contemplated herein. The failure of CBIZ MHM to exercise its right to suspend or terminate work shall not constitute a waiver by CBIZ MHM of any right or remedy. In the event of a termination of this engagement pursuant to section F below, you agree to compensate CBIZ MHM for tax services performed and expenses incurred through the effective date of termination. All outstanding bills will be paid in full prior to the release of any information or prior to final product or service delivery, unless other arrangements to pay your bill have been agreed upon. See section O below for additional information regarding Limitation on Damages.

F. Term. This engagement shall conclude on the completion and delivery of CBIZ MHM's tax services hereunder. This engagement may be terminated by either party at any time by giving written notice to the other party not less than 10 business days before the effective date of termination.

G. General. This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both CBIZ MHM and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs CBIZ MHM to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in CBIZ MHM newsletters and publications and discussions with third parties regarding work opportunities.

H. Foreign Financial Account Reporting. Any U.S. citizen or resident (including individuals, corporations, partnerships, trusts and estates) who has a financial interest in, or signature or other authority over, "foreign financial accounts" with an aggregate value exceeding \$10,000 at any time during the prior calendar year, is required to report that relationship to the Internal Revenue Service. Filing requirements also apply to those with direct or indirect control over a foreign or domestic entity with

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January 4, 2011
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foreign financial accounts, even if the taxpayer does not have foreign financial accounts of its own. Because persons with a financial interest and persons with signature authority are required to submit filings, a single account may require multiple filings. For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority.

“Foreign financial accounts”, for purposes of this section, are financial accounts located in a foreign jurisdiction and may include, but are not limited to, bank accounts, mutual funds, securities or brokerage accounts, life insurance, credit cards, retirement plans and interests in partnerships, trusts or other pass-through entities having foreign accounts.

These filings must be made by June 30 and the due date of these filings cannot be extended. Failure to disclose the required information to the Internal Revenue Service, even an inadvertent failure, may result in substantial civil and/or criminal penalties.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment Offers to Our Personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

K. Safe Environment. You agree that in any circumstances wherein CBIZ personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files which CBIZ MHM generates in connection with this engagement are the property of CBIZ MHM. Upon the termination of this engagement, upon request we will return your original records to you. All CBIZ MHM workpapers and files will be retained pursuant to CBIZ MHM's document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

Ms. Polly Kuehl
January 4, 2011
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N. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty four (24) months after performance of our service for continuing clients and twelve (12) months for clients who discontinue their relationship with CBIZ MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of CBIZ MHM's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section P of these Terms and Conditions.

If there is a fee dispute you and CBIZ MHM agree to submit all fee disputes to resolution by arbitration in accordance with the rules of the American Arbitration Association. You waive the right to make counterclaims in the arbitration of such fee disputes and such arbitration shall be binding and final, as permitted by the law of the applicable jurisdiction. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before any judge or jury and instead are accepting the use of arbitration for resolution. Each party will bear its own costs of arbitration and both parties shall share equally the costs of the arbitrators.

This Section N is not applicable to engagements with SEC registrants where Mayer Hoffman McCann P.C. is the auditor of record.

O. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that CBIZ MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall CBIZ MHM or its personnel be liable for

Ms. Polly Kuehl
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consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise. This Section O is not applicable to engagements with SEC registrants where Mayer Hoffman McCann P.C. is the auditor of record.

P. Governing Law and Severability. These Terms and Conditions of Services, and the engagement letter to which these terms are appended, shall be governed by, and construed in accordance with, the laws of the State in which CBIZ MHM personnel rendering the tax services are located (without giving effect to the choice of law principles thereof). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

Q. Inherent Conflicts of Interest: CBIZ MHM cannot represent a client when there is a significant risk that the representation of one or more clients will be materially limited by the practitioner's responsibilities to another client (a "conflict of interest"), unless all affected parties waived the conflict of interest in writing. In some very common situations there are inherent potential conflicts of interest between or among clients. For example, an entity, such as a corporation, partnership or limited liability company, has potential conflicts of interest with its respective shareholders, partners or members, board members, officers, management team or employees (collectively "Executives"). Conflicts are present in almost any financial decision of the entity; for example, certain tax elections required to be made by the entity may not benefit all Executives equally, or decisions to make capital improvements, borrow money or admit new owners may have a financial impact on existing Executives. Another example of common inherent conflicts of interest exist between or among estates, trusts or similar entities represented by a fiduciary ("Estate") or a person engaged in succession planning or other disposition of assets ("Grantor"), and the respective primary and contingent beneficiaries ("Beneficiaries"). Tax elections, return positions, or other decisions regarding assets or investments may be required to be made by the Estate, and those elections, positions or decisions may not benefit all Beneficiaries equally. It is common for CBIZ MHM to provide tax advice and prepare tax returns for both entities and their Executives or Beneficiaries. If CBIZ MHM represents any of your Executives or Beneficiaries, you hereby acknowledge such conflicts of interest and agree that CBIZ MHM can advise and prepare tax returns for those Executives or Beneficiaries as well as perform the services described in this engagement letter on your behalf.

R. Limitations on Oral and Email Communication: We may discuss with you our views regarding the tax treatment of certain items and may provide you with tax information in the body of an email. Any advice or information delivered orally or in the body of an email (as opposed to a memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions. Because of these limitations and the related risks, it may not be appropriate to proceed with any transaction solely on the basis of any oral or email communication, and we will not be liable for any loss, cost, or expense resulting from your decision to rely on any oral or email communication.

Ms. Polly Kuehl
January 4, 2011
Page 10 of 10

S. Indemnification. Unless otherwise prohibited by law or applicable professional standard, you shall indemnify and hold harmless CBIZ MHM and its personnel from and against any causes of action, damages (whether compensatory, consequential, special, indirect, incidental, punitive, exemplary, or of any other type or nature), costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonable time and expenses of CBIZ MHM's personnel involved) brought against or involving CBIZ MHM at any time and in any way arising out of or relating to CBIZ MHM's services under this engagement, except to the extent judicially determined to have resulted from the bad faith, gross negligence, or willful or intentional misconduct of CBIZ MHM's personnel. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, tort, or otherwise.

If any action or proceeding (any of the foregoing being a "Claim") is threatened or commenced by any third party against CBIZ MHM that you are obligated to defend or indemnify under this Agreement, then written notice thereof shall be given to you as promptly as practicable. After such notice and only so long as CBIZ MHM's and your interests with respect to the claim remain consistent, no conflict exists, and, by your control of the defense, CBIZ MHM's insurance is not voided or otherwise compromised in any way, you shall be entitled, if you so elect in writing within ten days after receipt of such notice, to take control of the defense and investigation of such Claim and to employ and engage attorneys to handle and defend the same, at your sole cost and expense, with the approval of CBIZ MHM, which approval shall not be unreasonably withheld. CBIZ MHM shall cooperate in all reasonable respects with you and your attorneys in the investigation, trial and defense of such Claim and any appeal arising therefrom; provided, however, that CBIZ MHM may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such Claim and any appeal arising therefrom. You shall enter into no settlement of a Claim that involves a remedy other than the payment of money by you without the prior consent of CBIZ MHM.

After notice by you to CBIZ MHM of your election to assume full control of the defense of any such Claim, and CBIZ MHM's approval of selected counsel, you shall not be liable to CBIZ MHM for any legal expenses incurred thereafter by CBIZ MHM in connection with the defense of that Claim. If you do not assume full control over the defense of a Claim, then you may participate in such defense, at your sole cost and expense, and CBIZ MHM shall have the right to defend you in such manner as it may deem appropriate, at your cost and expense.



Mayer Hoffman McCann P.C.

An Independent CPA Firm

One South Wacker Drive, Suite 1800
Chicago, Illinois 60606-4603
312-602-6800 ph
312-602-6950 fx
www.mhm-pc.com

copy

January 4, 2011

Ms. Polly Kuehl
Vice President/Property Management
Evergreen Real Estate Services
566 West Lake Street
Suite 400
Chicago, IL 60661

Dear Ms. Kuehl:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide for **Peers Housing Association**. This letter, which incorporates the attached Terms and Conditions, constitutes the entire agreement between the parties with respect to Mayer Hoffman McCann P.C.'s performance of the professional services described herein.

ENGAGEMENT OBJECTIVES

We will audit the statement of financial position of Frank B. Peers Senior Housing (the "Project") as of December 31, 2010 and the related statements of activities and cash flows for the year then ended. Also, as required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (the "Circular"), the document we will submit to you will include the Schedule of Expenditures of Federal Awards (the "Schedule") and other supplementary financial information required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs* and by the Illinois Housing Development Authority's (IHDA) *Financial Reporting and Audit Guidelines for Mortgagors of Multi-family Housing Developments*. The document may also include other supplementary information requested by you. The supplementary information will be subjected to the audit procedures applied in the audit of the basic financial statements.

OUR RESPONSIBILITIES

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal controls related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act

Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal controls and compliance will each include a statement that the report is intended for the information of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and, if applicable, pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Audit

Our audit will be conducted in accordance with U.S. generally accepted auditing standards, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996 (the Act) and the provisions of the Circular. Our audit will include tests of the accounting records, a determination of major program(s) in accordance with the Circular, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or Single Audit compliance opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the Project or to acts by management or employees on behalf of the Project. As required by the Act and Circular, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and agreements.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. This may include the use of project or group-based sampling, where applicable. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or to major programs. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of

assets that comes to our attention. We also will inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Internal Control

Our audit will include obtaining an understanding of the Project and its environment, including internal controls sufficient to assess the risks of material misstatement of the financial statements and of material noncompliance with specific requirements applicable to major HUD-assisted programs and to design the nature, timing, and extent of further audit procedures to be performed.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal controls issued pursuant to *Government Auditing Standards*.

As required by the Circular, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Circular.

An audit is not designed to provide assurance on internal controls or to identify control deficiencies. However, we will inform those charged with governance of any matters involving internal control and its operation that we consider to be significant deficiencies or material weaknesses under standards established by the American Institute of Certified Public Accountants. Material weaknesses involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Project's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. In addition, we will inform you of any other control deficiencies or other matters involving internal controls, if any, as required by the *Government Auditing Standards* and OMB Circular A-133.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Project's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

As required by the Circular, we will perform the audit to obtain reasonable assurance about whether the Project has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB Circular A-133 *Compliance Supplement* for the types of compliance requirements that could have a

Ms. Polly Kuehl

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direct and material effect on the Project's major programs. The purpose of these procedures will be to express an opinion on the Project's compliance with the requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

The services described above do not relieve management or those charged with governance of their responsibilities.

THOSE CHARGED WITH GOVERNANCE

As defined by U.S. generally accepted auditing standards, you are responsible for overseeing the strategic direction of the Project and obligations related to the accountability of the Project. These responsibilities include, but are not limited to, overseeing the financial reporting process, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services incorporated in this letter and informing us about all known or suspected fraud involving the Project. In turn, we will provide you with any communications as required by U.S. generally accepted auditing standards.

MANAGEMENT'S RESPONSIBILITIES

You are responsible for management decisions and functions, and for designating a qualified management-level individual to oversee any bookkeeping services, tax services, or other services provided by us or by CBIZ MHM, LLC. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities and compliance with the provisions of contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles and that federal awards programs are managed in compliance with applicable laws and regulations, and the provisions of contracts and grant agreements.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and may assist in the preparation of your financial statements, including the schedule of expenditures of federal awards, and the related notes but the responsibility for those items remains with you. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

This responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of

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any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Project involving (a) management, (b) employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Project received in communications from employees, former employees, grantors, regulators, or others. In addition, you are also responsible for identifying and ensuring that the Project complies with applicable laws and regulations. Additionally, as required by the Circular, it is your responsibility to follow up and take required corrective action on reported audit findings and to prepare a summary schedule of prior findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review when we commence fieldwork.

During the course of our engagement, we will request information and explanations from management regarding the Project's operations, internal controls, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter, including acknowledging that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes and accept full responsibility for them. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Project agrees to release our firm and its shareholders and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Project's management.

We understand that your employees will prepare all confirmations and schedules we request and will locate any documents selected by us for testing.

OTHER SERVICES

Data Collection Form

We will complete the appropriate sections of the Data Collection Form, upload a PDF version of the financial statements, perform the online auditor certification, submit this information to the Federal Clearinghouse, and notify you once this is complete. You will receive notification via email from the Federal Audit Clearinghouse with a signature code to certify the Data Collection Form is complete and accurate. We will provide copies of our reports to you; however, it is management's responsibility to electronically certify the Data Collection Form using the new e-filing system. The Data Collection Form and the reporting package must be electronically certified within the earlier of 30 days after receipt of our reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency.

If you intend to include these financial statements and our report in an offering or other document at some future date, you agree to seek our prior written consent to do so at that time. You agree to provide reasonable notice to allow sufficient time for us to perform certain additional procedures. Any time you intend to

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publish or otherwise reproduce these financial statements and our report and make reference to our Firm name in any manner in connection herewith, you agree to provide us with printer's proofs or masters for our review and approval before printing or other reproduction. You will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are in addition to those discussed elsewhere in this letter.

As a result of our prior or future services to you, we might be requested to provide information or documents to you or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests, we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Our relationship is strictly confidential. For that reason, it is our policy that we will not release any information to a third party either from our files or from material temporarily in our care without first obtaining your consent. It is agreed that we will provide CBIZ MHM, LLC with access to your accounting, financial and other records we maintain so CBIZ MHM, LLC can provide you with tax, advisory and consulting services you have engaged them to perform

ENGAGEMENT FEES

We estimate that our fees for these services will be \$11,600, including expenses such as travel, copies and printing, postage, etc.

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality and completeness of your records and, where applicable, upon your personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. In addition, fees for any related projects, requiring research and/or consultation on special business or financial issues, will be billed separately from the fee referred to above and will be subject to separate arrangements.

We consider telephone calls and meetings on accounting and reporting matters to be an integral part of the engagement and no additional fees are charged for these services. If, however, there is a significant transaction or new accounting issue that requires us to spend a substantial amount of time that clearly was not anticipated in our fee proposal, there may be additional billing.

The fee estimate above assumes no adjustments will be necessary for routine accounting entries normally made before the beginning of the engagement. If, for any reason, we are asked to assist in the preparation of these entries, we will provide an estimate of the time required to perform such services and the additional fees to be billed.

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Invoices will be submitted as the work progresses and a final invoice will be submitted upon completion of the services. Invoices are payable upon receipt.

For administrative convenience, the fees for our services will be invoiced through CBIZ MHM, LLC.

OTHER ENGAGEMENT MATTERS

This letter and the attached Terms and Conditions set forth the rights and responsibilities of the parties with respect to the services to be provided. The attachment is an integral part of this agreement. This engagement is being undertaken solely for the benefit of the parties to this agreement, and no other person shall be entitled to enforce the terms of this agreement.

These services are being provided under the American Institute of Certified Public Accountants (AICPA) and the Government Accountability Office (GAO) independence standards. If the Project becomes subject to Public Company Accounting Oversight Board (PCAOB) and Securities and Exchange Commission (SEC) independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report and any letter of comments, on the most recent peer review of our firm.

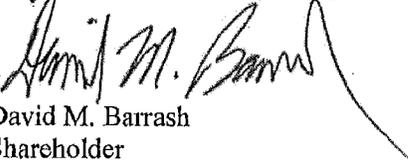
The workpapers for this engagement will be retained in accordance with our firm policy, or for any additional period requested by HUD. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

Robert Wilneff is the engagement shareholder responsible for supervising the engagement and signing the report.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Mayer Hoffman McCann P.C.



David M. Barrash
Shareholder
DMB:dml
Enclosures

Ms. Polly Kuehl
January 4, 2011
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Frank B. Peers Senior Housing

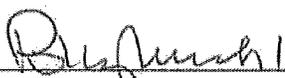
For Owner:

By 

Title President

Date 1/10/11

For Management Company

By 

Title Sr. V.P.

Date 1/6/11

Mayer Hoffman McCann P.C.
Engagement Letter
Terms and Conditions

A. Services. These Terms and Conditions and the engagement letter (and any attachments) (the "Engagement Letter"), and any subsequent amendments or addenda thereto, to which these Terms and Conditions are attached (collectively, the "Agreement") constitute the entire agreement between the entity identified in the accompanying Engagement Letter (the Client) and Mayer Hoffman McCann P.C. ("MHM"), regarding the services described in the Engagement Letter. MHM will provide the Services described in the Engagement Letter, and will use all reasonable efforts to perform the Services in accordance with any agreed upon timeframe. MHM has every expectation that this engagement will be conducted by the MHM professionals designated for this engagement. If for any reason any of those individuals are not able to complete this engagement, professionals with similar qualifications and experience will do so. Where any changes are necessary, MHM will give Client reasonable notice of the changes.

B. Ownership. Client shall own the copyright in all written material originated and prepared for and delivered to the Client under this Agreement. However, MHM working papers, files and MHM Confidential Information (as defined below) belong exclusively to MHM. The ideas, concepts, know-how, techniques, inventions, discoveries and improvements developed during the course of this Agreement by MHM personnel, alone or in conjunction with Client personnel, may be used by MHM in any way it deems appropriate, including without limitation by or for its clients or customers, without an obligation to account, notwithstanding any provision in this Agreement to the contrary. MHM is in the business of providing attestation services for a wide variety of clients and the Client understands that MHM will continue these activities. Accordingly, nothing in this Agreement shall preclude or limit MHM from providing attestation services, consulting services and/or developing software or materials for itself or other clients, irrespective of the possible similarity of materials, which might be delivered to the Client.

C. Confidentiality. MHM agrees that all financial, statistical, marketing and personnel data relating to the Client's business, and other information identified as confidential by the Client, are confidential information of the Client ("Client Confidential Information"). The Client agrees that MHM proprietary software, tools and other methodologies and any other information identified as confidential by MHM, are confidential information of MHM ("MHM Confidential Information"). Client Confidential Information and MHM Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party which is disclosed to it only for the purposes of this Agreement and shall not disclose such Confidential Information to any third party without the other party's prior written consent, other than to MHM subcontractors hired in connection with this engagement, if any, and to each other's employees on a need-to-know basis in connection with this engagement. Each party agrees to take measures to protect the confidentiality of the other party's Confidential Information that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own Confidential Information, but at a minimum, each party shall take reasonable steps to advise their employees (and, in the case of MHM, its subcontractors, if any) of the confidential nature of the Confidential Information and of the prohibitions on copying or revealing

such Confidential Information contained herein. MHM and the Client each agree to require that the other party's Confidential Information be kept in a reasonably secure location.

Notwithstanding anything to the contrary contained in this Agreement, Client may convey MHM's comments and thoughts to Client's outside counsel and investment bankers provided Client accurately describes the terms, including the limitations, of MHM's engagement. Furthermore, neither party shall be obligated to treat as confidential, or otherwise be subject to the restrictions on use, disclosure or treatment contained in this Agreement for, any information disclosed by the other party (the "Disclosing Party") which: (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by MHM in breach hereof, (ii) is disclosed by you or your personnel to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to MHM on a non-confidential basis from a source other than you or your personnel which MHM does not believe is prohibited from disclosing such information to MHM by obligation to you, (iv) is known by MHM prior to its receipt from you without any obligation of confidentiality with respect thereto, or (v) is developed by MHM independently of any disclosures made by you or your personnel to CBIZ MHM of such information.

Neither party will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own confidential information. Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party to the extent that this is required by valid legal or regulatory process, provided that (and without breaching any legal or regulatory requirement) the party to which the request is made provides the Disclosing Party with prompt written notice and allows the Disclosing Party to seek a restraining order or other appropriate relief.

We may be requested to make certain workpapers or files available to certain regulatory agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of MHM's personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to certain regulatory agencies. Certain regulatory agencies may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

D. Client Responsibilities. Client agrees to provide reasonable workspace, administrative support, computer facilities and other support, which are necessary to perform the Services; including providing high-speed Internet access to our engagement team, if practicable, while working at the Client premises. Client agrees to perform in a timely fashion those tasks and provide the personnel agreed to by the parties. Client personnel assigned to work on matters related to this engagement will be qualified for the tasks for which they are assigned. MHM's performance is dependent on Client carrying out its responsibilities as set out in this Agreement. Client's failure to satisfy its responsibilities under this Agreement may lead to an increase in our fees, depending upon the extent to which we have to perform more work ourselves or reschedule our commitments to deliver the Services, or our inability to provide the Services. Should Client fail to perform any of its obligations under this Agreement, MHM shall not be responsible for any delay or other consequences due to such failure.

E. Fees and Payment. Client shall pay MHM the fees set forth in the Engagement Letter. Client shall also be responsible for paying any taxes (such as applicable sales taxes, duties or goods and services

Ms. Polly Kuehl

January 4, 2011

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taxes) for which it is legally liable arising from this Agreement at the rate in force at the date the liability arises. Our invoices will be issued as set out in the Engagement Letter. All invoices will be due upon receipt unless stated otherwise in the Engagement Letter. Services rendered after the expiration of the term of the engagement or in addition to the scope contemplated herein and in the Engagement Letter, such as meetings, planning, etc., will be billed separately at our hourly rates.

F. Term and Termination. This Agreement will apply from the commencement date stated in the Engagement Letter, if any, or where no commencement date is specified, from the date of signature by both parties. If MHM commenced the performance of the Services prior to the execution of this Agreement, this Agreement shall nonetheless cover the performance of such Services. This Agreement will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out elsewhere herein. MHM shall be under no duty to update or revise its opinion or report, once issued, unless expressly engaged to do so by the Client, and MHM shall be under no duty to accept any such engagement. If we accept such an engagement, we will be required to perform certain procedures required by generally accepted auditing standards. The following sections of this Agreement will survive completion of the Services or its earlier termination: Confidentiality, Ownership, and such other provisions of this Agreement which by their nature are intended to survive.

Either party may terminate this Agreement upon written notice to the other party irrespective of whether MHM has issued its opinion or report. Client will be responsible for fees and expenses incurred through the date the termination notice is received. Where Client terminates this Agreement, Client will pay MHM for additional costs necessarily incurred as a result of early termination of the Services.

G. General. This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both MHM and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs MHM to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in MHM newsletters and publications and discussions with third parties regarding work opportunities.

H. Leased personnel. In performing our engagement we will lease professional and administrative staff, both of which are employed by CBIZ MHM, LLC or its related entities. These individuals will be under the direct control and supervision of MHM, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information and MHM and CBIZ MHM, LLC and its related entities have contractual agreements requiring confidential treatment of all client information.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment offers to our personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

Professional standards require us to be independent with respect to the Company in the performance of our services. Any discussions that the Company has with personnel of our Firm regarding potential employment with the Company could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure the independence and objectivity of our engagement. Any additional costs incurred due to these procedures will be fully billable in addition to our fee.

K. Safe Environment. You agree that in any circumstances wherein MHM personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files which MHM generates in connection with this engagement are the property of MHM. Upon the termination of this engagement, upon request we will return your original records to you. All MHM workpapers and files will be retained, pursuant to MHM's document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under

Ms. Polly Kuehl
January 4, 2011
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applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

With regard to the electronic dissemination of financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. You agree that you shall bear the risk of any inconsistency between the electronic document and the original document.

N. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty four (24) months after performance of our service for continuing clients and twelve (12) months for clients who discontinue their relationship with MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of MHM's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section P of these Terms and Conditions.

If there is a fee dispute, you and MHM agree to submit all fee disputes to resolution by arbitration in accordance with the rules of the American Arbitration Association. You waive the right to make counterclaims in the arbitration of such fee disputes and such arbitration shall be binding and final, as permitted by the law of the applicable jurisdiction. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before any judge or jury and instead are accepting the use of arbitration for resolution. Each party will bear its own costs of arbitration and both parties shall share equally the costs of the arbitrators.

O. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall MHM or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.

P. Governing Law and Severability. These Terms and Conditions of Services, and the engagement letter to which these terms are appended, shall be governed by, and construed in accordance with, the laws of the State in which MHM personnel rendering the attest services are located (without giving effect to the choice of law principles thereof). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

copy



CBIZ MHM, LLC

One South Wacker Drive, Suite 1800
Chicago, IL 60606
Ph: 312.602.6800 ■ F: 312.602.6950

January 4, 2011

Ms. Polly Kuehl
Vice President/Property Management
Evergreen Real Estate Services
566 West Lake Street
Suite 400
Chicago, IL 60661

Dear Ms. Kuehl:

CBIZ MHM, LLC ("CBIZ MHM") is pleased to provide **Highland Park Apartment Associates** (Walnut Place) with professional tax services. This engagement letter, and the attached Terms and Conditions of Services, embodies the entire agreement regarding tax return preparation services to be rendered by CBIZ MHM.

You are providing your primary contact, financial and business information in order to permit CBIZ MHM to offer you tax and business suggestions when CBIZ MHM deems it appropriate or advantageous to you. You confirm that this service, while creating no duty on the part of CBIZ MHM, is a benefit to you that is separate from and in addition to any tax return preparation services. We will prepare the following tax returns for Walnut Place for the year ended December 31, 2010 from financial and tax information that you will furnish to us:

- U.S. Return of Partnership Income, Form 1065
- Illinois Partnership Income Tax Return, Form IL-1065

While it is our intention to suggest tax and business ideas or services to you, this engagement generally does not include the rendering of any specific tax consulting services. However, we may provide, at your request, limited tax consulting services including, but not limited to, tax projections, responding to inquiries or tax examinations by any governmental agency or tax authority, assisting you in maintaining your accounting and depreciation records, reviewing proposed or completed transactions, or tax research in connection with these matters. These limited consulting services will be subject to the attached Terms and Conditions of Services and our fees for these additional services will be based upon our prevailing hourly rates effective at the time the services are provided, plus administrative and processing charges, unless otherwise agreed to by both parties.

If you ask us to perform other services that are not covered by this, or any other, engagement letter, you agree that any such engagements or services performed as a result of such requests are subject to the attached Terms and Conditions of Services.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible. However, there can be no assurance that any tax positions taken will not be challenged. Our tax advice is based on our assumption (without independent verification) that all of the representations and all of the originals, copies, and signatures of documents reviewed by us are accurate, true, and authentic and the law, regulations, cases, rulings, and other tax authority in effect as of the date the services were rendered. If there are subsequent changes in or to the foregoing tax authorities (for which we shall have no

Ms. Polly Kuehl
January 4, 2011
Page 2 of 10

responsibility to advise you), such changes may result in our advice being rendered invalid or necessitate (upon your request) a reconsideration of the advice.

You represent and warrant that the information you are supplying to us is accurate and complete to the best of your knowledge as required for the preparation of complete and accurate tax returns. You should retain all documents that form the basis for the information presented on tax return forms and schedules, elections and disclosures, including proper records to support deductions claimed for meals, entertainment, travel, gifts, charitable contributions, and vehicle use (if applicable). These may be necessary to prove the accuracy and completeness of the returns to taxing authorities. You have the final responsibility for the above tax returns and, therefore, you should review them carefully before you sign them. Please refer to Section D of the attached Terms and Conditions of Services for additional information.

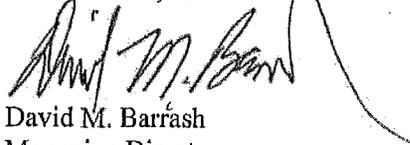
Our fees for these tax services will be based on the fee quote contained in this paragraph. Based on the information provided by you to us regarding the nature and scope of this engagement, the fee is \$1,100. This quote is dependent upon the accuracy and completeness of the information provided by you to us regarding the nature and scope of this engagement, as well as upon anticipated cooperation from your personnel, and the ready availability of all information necessary for us to complete the engagement. If the information provided by you to us regarding the nature and scope of this engagement is not accurate or complete, we do not receive the anticipated cooperation of your personnel, or if the information necessary for us to complete this engagement is not readily available to us, we will discuss this with you and arrive at a revised fee quote. Please refer to Section E of the attached Terms and Conditions of Services for additional information.

If you agree with the terms of our engagement as described in this letter and the attached Terms and Conditions of Services, please sign the enclosed copy of this letter and return it to us. However, if there are any additional tax returns you expect us to prepare, please inform us by noting so at the end of the returned copy of this letter.

We want to thank you for using CBIZ MHM, LLC and look forward to a long and mutually satisfying relationship.

Very truly yours,

CBIZ MHM, LLC



David M. Barrash
Managing Director
DMB:dml
Enclosures



Ms. Polly Kuehl
January 4, 2011
Page 3 of 10

Accepted by: **Walnut Place**

[Handwritten Signature]

Signature

1/16/11

Date

President

Title

Additional tax returns: _____

Ms. Polly Kuehl
January 4, 2011
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TERMS AND CONDITIONS OF SERVICES

A. Services. These Terms and Conditions of Services and the engagement letter to which these terms are appended constitute the entire agreement between you and CBIZ MHM for the tax services to be rendered. As used herein, the term "tax services", includes only the tax services as described in the attached engagement letter. All decisions in connection with the implementation of CBIZ MHM's tax services in connection with this engagement shall be your responsibility.

B. Third Parties and Internal Use. Except as otherwise agreed, all tax services hereunder shall be solely for your internal purposes and use, and this engagement does not create privity between CBIZ MHM and any person or party other than you (a "third party"). This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the tax services provided by CBIZ MHM. In order to protect CBIZ MHM from any unauthorized reliance or claims, you further agree that the tax services provided by CBIZ MHM shall not be distributed, made available, circulated, or quoted to or used by any third party without the prior written consent of CBIZ MHM. However, nothing in this paragraph shall be construed as limiting or restricting such disclosure for your tax return filing purposes. You agree to hold CBIZ MHM harmless from any claims or liability that may arise out of or result from CBIZ MHM complying with your request to disclose or share your information with third-parties.

C. Confidentiality. To the extent that, in connection with this engagement, CBIZ MHM comes into possession of any information of yours identified as proprietary or confidential, CBIZ MHM will not disclose such information to any third party without your consent, except (a) as may be required by law, regulation, judicial or administrative process, in accordance with applicable professional standards, or in connection with litigation pertaining hereto, or (b) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by CBIZ MHM in breach hereof, (ii) is disclosed by you or your personnel to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to CBIZ MHM on a non-confidential basis from a source other than you or your personnel which CBIZ MHM does not believe is prohibited from disclosing such information to CBIZ MHM by obligation to you, (iv) is known by CBIZ MHM prior to its receipt from you without any obligation of confidentiality with respect thereto, or (v) is developed by CBIZ MHM independently of any disclosures made by you or your personnel to CBIZ MHM of such information.

We may disclose the information you provide to us in connection with the preparation of your tax return ("Information") to Mayer Hoffman McCann P.C. ("MHM PC"), so that MHM PC can provide you with any attest services you have engaged MHM PC to perform. You authorize MHM PC to provide us access to all of your files and accounting, tax, financial and other information in its possession for the purpose of providing all tax services requested.

We may use subcontractors, which may be located outside the U.S., to assist us in the preparation of our clients' tax returns. In order to safeguard the confidentiality of client information, both CBIZ MHM and

Ms. Polly Kuehl
January 4, 2011
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any subcontractors we may use have established internal policies, procedures and controls designed to maintain data security and protect privacy. We will not utilize a subcontractor without a written confidentiality agreement in place to prevent the unauthorized release of client information.

We may disclose the Information to any company, or any employee of such company, that is owned or controlled, directly or indirectly, by CBIZ, Inc. ("Affiliate"). We may use the Information for a number of purposes in our efforts to provide you with access to the different types of services offered by our Affiliates, including where appropriate, tax consulting, general business consulting, retirement or estate planning, business succession, asset acquisition or disposition, payroll, benefits, insurance, wealth management and investing, human resources, accounting, valuation, internal audit, mergers and acquisitions, and technology consulting. You have the right to limit the Information you wish to have used or disclosed. We may use the Information to compile lists in order to provide you with tax or business information, newsletters or other correspondence determined from the Information to be relevant to you or your industry, and information on other products or services offered by our Affiliates. If your tax return involves the preparation of Forms K-1, we may provide a copy of Form K-1 to the person described thereon. We may also use and disclose the Information as subsequently requested or directed by you. We will not disclose Information to any person who is not an Affiliate without obtaining a separate consent to such disclosure except (a) as otherwise specifically provided herein, or (b) at your request or direction. Unless you specify otherwise, the consent to the use and disclosure of the Information provided herein will be valid until the statute of limitations to assess any tax by the Internal Revenue Service with respect to the tax return has expired.

D. Client Responsibilities. You are responsible for making all financial records and related information available to us. CBIZ MHM shall be entitled to assume, without independent verification, the accuracy of all representations, assumptions, information and data that you and your representatives provide to CBIZ MHM. All assumptions, representations, information and data to be supplied by you and your representatives will be complete and accurate to the best of your knowledge. CBIZ MHM may use information and data furnished by others; however, CBIZ MHM shall not be responsible for, and CBIZ MHM shall provide no assurance regarding, the accuracy and completeness of any such information or data. Except as specifically provided herein, CBIZ MHM shall not assume any responsibility for any financial reporting with respect to the tax services provided hereunder. You acknowledge and understand that CBIZ MHM is providing no attest services of any kind, scope or nature whatsoever, as part of this engagement. CBIZ MHM shall have no responsibility to address any legal matters or questions of law in connection with this engagement. See section C above for additional information regarding confidentiality.

You shall cooperate with CBIZ MHM in the performance by CBIZ MHM of its tax services hereunder, including, without limitation, providing CBIZ MHM with reasonable facilities and timely access to data, information, and your personnel. You shall be responsible for the performance of your personnel and agents and for the accuracy and completeness of all data and information provided to CBIZ MHM for purposes of the performance by CBIZ MHM of its tax services hereunder.

E. Fees and Payment. Our invoices for these tax services will be rendered each month as work progresses and are payable on presentation. If properly submitted invoices are not paid within 30 days of

Ms. Polly Kuehl
January 4, 2011
Page 6 of 10

the invoice date, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law. Without limiting its rights or remedies, CBIZ MHM shall have the right to halt or terminate entirely its tax services until full payment is received on such past due invoices. In the case of nonpayment, you will be liable for any and all costs and fees incurred by CBIZ MHM to collect the fees contemplated herein. The failure of CBIZ MHM to exercise its right to suspend or terminate work shall not constitute a waiver by CBIZ MHM of any right or remedy. In the event of a termination of this engagement pursuant to section F below, you agree to compensate CBIZ MHM for tax services performed and expenses incurred through the effective date of termination. All outstanding bills will be paid in full prior to the release of any information or prior to final product or service delivery, unless other arrangements to pay your bill have been agreed upon. See section O below for additional information regarding Limitation on Damages.

F. Term. This engagement shall conclude on the completion and delivery of CBIZ MHM's tax services hereunder. This engagement may be terminated by either party at any time by giving written notice to the other party not less than 10 business days before the effective date of termination.

G. General. This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both CBIZ MHM and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs CBIZ MHM to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in CBIZ MHM newsletters and publications and discussions with third parties regarding work opportunities.

H. Foreign Financial Account Reporting. Any U.S. citizen or resident (including individuals, corporations, partnerships, trusts and estates) who has a financial interest in, or signature or other authority over, "foreign financial accounts" with an aggregate value exceeding \$10,000 at any time during the prior calendar year, is required to report that relationship to the Internal Revenue Service. Filing requirements also apply to those with direct or indirect control over a foreign or domestic entity with

Ms. Polly Kuehl
January 4, 2011
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foreign financial accounts, even if the taxpayer does not have foreign financial accounts of its own. Because persons with a financial interest and persons with signature authority are required to submit filings, a single account may require multiple filings. For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority.

“Foreign financial accounts”, for purposes of this section, are financial accounts located in a foreign jurisdiction and may include, but are not limited to, bank accounts, mutual funds, securities or brokerage accounts, life insurance, credit cards, retirement plans and interests in partnerships, trusts or other pass-through entities having foreign accounts.

These filings must be made by June 30 and the due date of these filings cannot be extended. Failure to disclose the required information to the Internal Revenue Service, even an inadvertent failure, may result in substantial civil and/or criminal penalties.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment Offers to Our Personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person’s annual compensation.

K. Safe Environment. You agree that in any circumstances wherein CBIZ personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files which CBIZ MHM generates in connection with this engagement are the property of CBIZ MHM. Upon the termination of this engagement, upon request we will return your original records to you. All CBIZ MHM workpapers and files will be retained pursuant to CBIZ MHM’s document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

Ms. Polly Kuehl
January 4, 2011
Page 8 of 10

N. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty four (24) months after performance of our service for continuing clients and twelve (12) months for clients who discontinue their relationship with CBIZ MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of CBIZ MHM's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section P of these Terms and Conditions.

If there is a fee dispute you and CBIZ MHM agree to submit all fee disputes to resolution by arbitration in accordance with the rules of the American Arbitration Association. You waive the right to make counterclaims in the arbitration of such fee disputes and such arbitration shall be binding and final, as permitted by the law of the applicable jurisdiction. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before any judge or jury and instead are accepting the use of arbitration for resolution. Each party will bear its own costs of arbitration and both parties shall share equally the costs of the arbitrators.

This Section N is not applicable to engagements with SEC registrants where Mayer Hoffman McCann P.C. is the auditor of record.

O. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that CBIZ MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall CBIZ MHM or its personnel be liable for

Ms. Polly Kuehl
January 4, 2011
Page 9 of 10

consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise. This Section O is not applicable to engagements with SEC registrants where Mayer Hoffman McCann P.C. is the auditor of record.

P. Governing Law and Severability. These Terms and Conditions of Services, and the engagement letter to which these terms are appended, shall be governed by, and construed in accordance with, the laws of the State in which CBIZ MHM personnel rendering the tax services are located (without giving effect to the choice of law principles thereof). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

Q. Inherent Conflicts of Interest: CBIZ MHM cannot represent a client when there is a significant risk that the representation of one or more clients will be materially limited by the practitioner's responsibilities to another client (a "conflict of interest"), unless all affected parties waived the conflict of interest in writing. In some very common situations there are inherent potential conflicts of interest between or among clients. For example, an entity, such as a corporation, partnership or limited liability company, has potential conflicts of interest with its respective shareholders, partners or members, board members, officers, management team or employees (collectively "Executives"). Conflicts are present in almost any financial decision of the entity; for example, certain tax elections required to be made by the entity may not benefit all Executives equally, or decisions to make capital improvements, borrow money or admit new owners may have a financial impact on existing Executives. Another example of common inherent conflicts of interest exist between or among estates, trusts or similar entities represented by a fiduciary ("Estate") or a person engaged in succession planning or other disposition of assets ("Grantor"), and the respective primary and contingent beneficiaries ("Beneficiaries"). Tax elections, return positions, or other decisions regarding assets or investments may be required to be made by the Estate, and those elections, positions or decisions may not benefit all Beneficiaries equally. It is common for CBIZ MHM to provide tax advice and prepare tax returns for both entities and their Executives or Beneficiaries. If CBIZ MHM represents any of your Executives or Beneficiaries, you hereby acknowledge such conflicts of interest and agree that CBIZ MHM can advise and prepare tax returns for those Executives or Beneficiaries as well as perform the services described in this engagement letter on your behalf.

R. Limitations on Oral and Email Communication: We may discuss with you our views regarding the tax treatment of certain items and may provide you with tax information in the body of an email. Any advice or information delivered orally or in the body of an email (as opposed to a memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions. Because of these limitations and the related risks, it may not be appropriate to proceed with any transaction solely on the basis of any oral or email communication, and we will not be liable for any loss, cost, or expense resulting from your decision to rely on any oral or email communication.

Ms. Polly Kuehl
January 4, 2011
Page 10 of 10

S. Indemnification. Unless otherwise prohibited by law or applicable professional standard, you shall indemnify and hold harmless CBIZ MHM and its personnel from and against any causes of action, damages (whether compensatory, consequential, special, indirect, incidental, punitive, exemplary, or of any other type or nature), costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonable time and expenses of CBIZ MHM's personnel involved) brought against or involving CBIZ MHM at any time and in any way arising out of or relating to CBIZ MHM's services under this engagement, except to the extent judicially determined to have resulted from the bad faith, gross negligence, or willful or intentional misconduct of CBIZ MHM's personnel. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, tort, or otherwise.

If any action or proceeding (any of the foregoing being a "Claim") is threatened or commenced by any third party against CBIZ MHM that you are obligated to defend or indemnify under this Agreement, then written notice thereof shall be given to you as promptly as practicable. After such notice and only so long as CBIZ MHM's and your interests with respect to the claim remain consistent, no conflict exists, and, by your control of the defense, CBIZ MHM's insurance is not voided or otherwise compromised in any way, you shall be entitled, if you so elect in writing within ten days after receipt of such notice, to take control of the defense and investigation of such Claim and to employ and engage attorneys to handle and defend the same, at your sole cost and expense, with the approval of CBIZ MHM, which approval shall not be unreasonably withheld. CBIZ MHM shall cooperate in all reasonable respects with you and your attorneys in the investigation, trial and defense of such Claim and any appeal arising therefrom; provided, however, that CBIZ MHM may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such Claim and any appeal arising therefrom. You shall enter into no settlement of a Claim that involves a remedy other than the payment of money by you without the prior consent of CBIZ MHM.

After notice by you to CBIZ MHM of your election to assume full control of the defense of any such Claim, and CBIZ MHM's approval of selected counsel, you shall not be liable to CBIZ MHM for any legal expenses incurred thereafter by CBIZ MHM in connection with the defense of that Claim. If you do not assume full control over the defense of a Claim, then you may participate in such defense, at your sole cost and expense, and CBIZ MHM shall have the right to defend you in such manner as it may deem appropriate, at your cost and expense.



Mayer Hoffman McCann P.C.

An Independent CPA Firm

One South Wacker Drive, Suite 1800
Chicago, Illinois 60606-4603
312-602-6800 ph
312-602-6950 fx
www.mhm-pc.com

copy

January 4, 2011

Ms. Polly Kuehl
Vice President/Property Management
Evergreen Real Estate Services
566 West Lake Street
Suite 400
Chicago, IL 60661

Dear Ms. Kuehl:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide for **Highland Park Apartment Associates**. This letter, which incorporates the attached Terms and Conditions, constitutes the entire agreement between the parties with respect to Mayer Hoffman McCann P.C.'s performance of the professional services described herein.

ENGAGEMENT OBJECTIVES

We will audit the balance sheet of **Walnut Place** (the Project) as of December 31, 2010 and the related statements of profit and loss, partners' capital (deficit) and cash flows for the year then ended. Also, the document we will submit to you will include the supplementary financial information required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs* and by the Illinois Housing Development Authority's (IHDA) *Financial Reporting and Audit Guidelines for Mortgagors of Multi-family Housing Developments* (the "IHDA Guidelines"). The document may also include other supplementary information requested by you. The supplementary information will be subjected to the audit procedures applied in the audit of the basic financial statements.

OUR RESPONSIBILITIES

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information when considered in relation to the financial statements taken as a whole. The objective also includes reporting on the Project's compliance with laws and regulations and its internal controls as required by U.S. generally accepted auditing standards, *Government Auditing Standards*, the *IHDA Guidelines*, and the *Consolidated Audit Guide for Audits of HUD Programs* (the *Guide*).

Audit

Our audit will be conducted in accordance with U.S. generally-accepted auditing standards, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the *IHDA Guidelines* and the *Guide*. Our audit will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

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Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from you, as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. This may include the use of project or group-based sampling, where applicable. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the Project or to acts by management or employees on behalf of the Project. As required by the *IHDA Guidelines* and the *Guide*, our audit will include tests of transactions related to federal awards programs for compliance with applicable laws and regulations.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violation of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a HUD/IHDA audit. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Internal Control

Our audit will include obtaining an understanding of the Project and its environment, including internal controls sufficient to assess the risks of material misstatement of the financial statements and of material non-compliance with specific requirements applicable to major HUD-IHDA-assisted programs and to design the nature, timing and extent of further audit procedures to be performed.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. As required by the *Guide*, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major HUD/IHDA-assisted program.

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An audit is not designed to provide assurance on internal controls or to identify control deficiencies. We will inform those charged with governance of any matters involving internal controls and its operation that we consider to be significant deficiencies or material weaknesses under standards established by the American Institute of Certified Public Accountants. Material weaknesses involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Project's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. In addition, we will inform you of any other control deficiencies or other matters involving the internal control, if any, as required by the *IHDA Guidelines* and the *Guide*.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Project's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

We will perform certain procedures to test the Project's compliance with Affirmative Fair Housing requirements applicable to its federal awards programs as required by the *Guide*. Our procedures will consist of the applicable procedures described by the *Guide*. Our procedures will be substantially less in scope than an audit, the objective of which is the expression of an opinion on the Project's compliance with the Affirmative Fair Housing requirements. Accordingly, we will not express such an opinion.

The *Guide* requires that we test and report on the Project's compliance with applicable HUD laws and regulations. Our procedures will consist of tests of transactions and other applicable procedures for the applicable compliance requirements that may have a direct and material effect on each HUD-assisted program as specified in the *Guide*. The purpose of these procedures will be to express an opinion on the Project's compliance with the specific requirements applicable to each of its major HUD-assisted programs.

The services described above do not relieve management or those charged with governance of their responsibilities.

THOSE CHARGED WITH GOVERNANCE

As defined by U.S. generally accepted auditing standards, you are responsible for overseeing the strategic direction of the Project and obligations related to the accountability of the Project. These responsibilities include, but are not limited to, overseeing the financial reporting process, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services incorporated in this letter and informing us about all known or suspected fraud involving the Project. In turn, we will provide you with any communications as required by U.S. generally accepted auditing standards.

MANAGEMENT'S RESPONSIBILITIES

You are responsible for management decisions and functions, and for designating a qualified management-level individual to oversee any bookkeeping services, tax services, or other services provided by us or by CBIZ MHM, LLC. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of the Project's financial statements and the related notes, but the responsibility for those items remains with you. As part of our engagement we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

This responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets.

You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Project involving (a) management, (b) employees who have significant roles in internal control and, (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Project received in communications from employees, former employees, regulators, or others. In addition, you are also responsible for identifying and ensuring that the Project complies with applicable laws and regulations, including the specific requirements of HUD/IHDA-assisted programs.

During the course of our engagement, we will request information and explanations from management regarding the Project's operations, internal controls, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter, including acknowledging that you have reviewed and approved the financial statements and related notes and accept full responsibility for them. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Project agrees to release our firm, its shareholders and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Project's management.

We understand that your employees will prepare all confirmations and schedules we request and will locate any documents selected by us for testing.

OTHER SERVICES

If you intend to include these financial statements and our report in an offering or other document at some future date, you agree to seek our prior written consent to do so at that time. You agree to provide reasonable notice to allow sufficient time for us to perform certain additional procedures. Any time you intend to

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publish or otherwise reproduce these financial statements and our report and make reference to our Firm name in any manner in connection therewith, you agree to provide us with printer's proofs or masters for our review and approval before printing or other reproduction. You will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are in addition to those discussed elsewhere in this letter.

As a result of our prior or future services to you, we might be requested to provide information or documents to you or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests, we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Our relationship is strictly confidential. For that reason, it is our policy that we will not release any information to a third party either from our files or from material temporarily in our care without first obtaining your consent. It is agreed that we will provide CBIZ MHM, LLC with access to your accounting, financial and other records we maintain so CBIZ MHM, LLC can provide you with tax, advisory and consulting services you have engaged them to perform

ENGAGEMENT FEES

We estimate that our fees for these services will be \$10,400, including related expenses, such as travel, copies and printing, postage, etc.

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality and completeness of your records and, where applicable, upon your personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. In addition, fees for any related projects, requiring research and/or consultation on special business or financial issues, will be billed separately from the fee referred to above and will be subject to separate arrangements.

We consider telephone calls and meetings on accounting and reporting matters to be an integral part of the engagement and no additional fees are charged for these services. If, however, there is a significant transaction or new accounting issue that requires us to spend a substantial amount of time that clearly was not anticipated in our fee proposal, there may be additional billing.

The fee estimate above assumes no adjustments will be necessary for routine accounting entries normally made before the beginning of the engagement. If, for any reason, we are asked to assist in the preparation of these entries, we will provide an estimate of the time required to perform such services and the additional fees to be billed.

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For administrative convenience, the fees for our services will be invoiced through CBIZ MHM, LLC.

OTHER ENGAGEMENT MATTERS

This letter and the attached Terms and Conditions set forth the rights and responsibilities of the parties with respect to the services to be provided. The attachment is an integral part of this agreement. This engagement is being undertaken solely for the benefit of the parties to this agreement, and no other person shall be entitled to enforce the terms of this agreement.

These services are being provided under the American Institute of Certified Public Accountants (AICPA) and the Government Accountability Office (GAO) independence standards. If the Project becomes subject to Public Company Accounting Oversight Board (PCAOB) and Securities and Exchange Commission (SEC) independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report and any letter of comments, on the most recent peer review of our firm.

The workpapers for this engagement are the property of Mayer Hoffman McCann P.C. and constitute confidential information. However, as may be required, we will make certain workpapers available to the Secretary of HUD, the HUD Inspector General and the General Accounting Office or their representatives pursuant to authority given to them by law or regulation. We will notify you of such request. Access to such workpapers will be provided to them in our office under the supervision of Mayer Hoffman McCann P.C. personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to them. HUD and the General Accounting Office may decide to distribute the photocopies or information contained therein to others, including other governmental agencies.

Robert Wilneff is the engagement shareholder responsible for supervising the engagement and signing the report.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Mayer Hoffman McCann P.C.



David M. Barrash
Shareholder
DMB:dml
Enclosures

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The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Walnut Place

For Owner

By: _____

Title: _____

Date: _____

Management Company

By: _____

Title: _____

Date: _____

Alan O'Neil

President

1/10/11

Bluford

Sr. V.P.

1/6/11

Mayer Hoffman McCann P.C.
Engagement Letter
Terms and Conditions

A. Services. These Terms and Conditions and the engagement letter (and any attachments) (the "Engagement Letter"), and any subsequent amendments or addenda thereto, to which these Terms and Conditions are attached (collectively, the "Agreement") constitute the entire agreement between the entity identified in the accompanying Engagement Letter (the Client) and Mayer Hoffman McCann P.C. ("MHM"), regarding the services described in the Engagement Letter. MHM will provide the Services described in the Engagement Letter, and will use all reasonable efforts to perform the Services in accordance with any agreed upon timeframe. MHM has every expectation that this engagement will be conducted by the MHM professionals designated for this engagement. If for any reason any of those individuals are not able to complete this engagement, professionals with similar qualifications and experience will do so. Where any changes are necessary, MHM will give Client reasonable notice of the changes.

B. Ownership. Client shall own the copyright in all written material originated and prepared for and delivered to the Client under this Agreement. However, MHM working papers, files and MHM Confidential Information (as defined below) belong exclusively to MHM. The ideas, concepts, know-how, techniques, inventions, discoveries and improvements developed during the course of this Agreement by MHM personnel, alone or in conjunction with Client personnel, may be used by MHM in any way it deems appropriate, including without limitation by or for its clients or customers, without an obligation to account, notwithstanding any provision in this Agreement to the contrary. MHM is in the business of providing attestation services for a wide variety of clients and the Client understands that MHM will continue these activities. Accordingly, nothing in this Agreement shall preclude or limit MHM from providing attestation services, consulting services and/or developing software or materials for itself or other clients, irrespective of the possible similarity of materials, which might be delivered to the Client.

C. Confidentiality. MHM agrees that all financial, statistical, marketing and personnel data relating to the Client's business, and other information identified as confidential by the Client, are confidential information of the Client ("Client Confidential Information"). The Client agrees that MHM proprietary software, tools and other methodologies and any other information identified as confidential by MHM, are confidential information of MHM ("MHM Confidential Information"). Client Confidential Information and MHM Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party which is disclosed to it only for the purposes of this Agreement and shall not disclose such Confidential Information to any third party without the other party's prior written consent, other than to MHM subcontractors hired in connection with this engagement, if any, and to each other's employees on a need-to-know basis in connection with this engagement. Each party agrees to take measures to protect the confidentiality of the other party's Confidential Information that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own Confidential Information, but at a minimum, each party shall take reasonable steps to advise their employees (and, in the case of MHM, its subcontractors, if any) of the confidential nature of the Confidential Information and of the prohibitions on copying or revealing such Confidential Information contained herein. MHM and the Client each agree to require that the other party's Confidential Information be kept in a reasonably secure location.

Notwithstanding anything to the contrary contained in this Agreement, Client may convey MHM's comments and thoughts to Client's outside counsel and investment bankers provided Client accurately describes the terms, including the limitations, of MHM's engagement. Furthermore, neither party shall be obligated to treat as confidential, or otherwise be subject to the restrictions on use, disclosure or treatment contained in this Agreement for, any information disclosed by the other party (the "Disclosing Party") which: (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by MHM in breach hereof, (ii) is disclosed by you or your personnel to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to MHM on a non-confidential basis from a source other than you or your personnel which MHM does not believe is prohibited from disclosing such information to MHM by obligation to you, (iv) is known by MHM prior to its receipt from you without any obligation of confidentiality with respect thereto, or (v) is developed by MHM independently of any disclosures made by you or your personnel to CBIZ MHM of such information.

Neither party will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own confidential information. Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party to the extent that this is required by valid legal or regulatory process, provided that (and without breaching any legal or regulatory requirement) the party to which the request is made provides the Disclosing Party with prompt written notice and allows the Disclosing Party to seek a restraining order or other appropriate relief.

We may be requested to make certain workpapers or files available to certain regulatory agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of MHM's personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to certain regulatory agencies. Certain regulatory agencies may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

D. Client Responsibilities. Client agrees to provide reasonable workspace, administrative support, computer facilities and other support, which are necessary to perform the Services; including providing high-speed Internet access to our engagement team, if practicable, while working at the Client premises. Client agrees to perform in a timely fashion those tasks and provide the personnel agreed to by the parties. Client personnel assigned to work on matters related to this engagement will be qualified for the tasks for which they are assigned. MHM's performance is dependent on Client carrying out its responsibilities as set out in this Agreement. Client's failure to satisfy its responsibilities under this Agreement may lead to an increase in our fees, depending upon the extent to which we have to perform more work ourselves or reschedule our commitments to deliver the Services, or our inability to provide the Services. Should Client fail to perform any of its obligations under this Agreement, MHM shall not be responsible for any delay or other consequences due to such failure.

E. Fees and Payment. Client shall pay MHM the fees set forth in the Engagement Letter. Client shall also be responsible for paying any taxes (such as applicable sales taxes, duties or goods and services taxes) for which it is legally liable arising from this Agreement at the rate in force at the date the liability arises. Our invoices will be issued as set out in the Engagement Letter. All invoices will be due upon receipt unless stated otherwise in the Engagement Letter. Services rendered after the expiration of the

term of the engagement or in addition to the scope contemplated herein and in the Engagement Letter, such as meetings, planning, etc., will be billed separately at our hourly rates.

F. Term and Termination. This Agreement will apply from the commencement date stated in the Engagement Letter, if any, or where no commencement date is specified, from the date of signature by both parties. If MHM commenced the performance of the Services prior to the execution of this Agreement, this Agreement shall nonetheless cover the performance of such Services. This Agreement will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out elsewhere herein. MHM shall be under no duty to update or revise its opinion or report, once issued, unless expressly engaged to do so by the Client, and MHM shall be under no duty to accept any such engagement. If we accept such an engagement, we will be required to perform certain procedures required by generally accepted auditing standards. The following sections of this Agreement will survive completion of the Services or its earlier termination: Confidentiality, Ownership, and such other provisions of this Agreement which by their nature are intended to survive.

Either party may terminate this Agreement upon written notice to the other party irrespective of whether MHM has issued its opinion or report. Client will be responsible for fees and expenses incurred through the date the termination notice is received. Where Client terminates this Agreement, Client will pay MHM for additional costs necessarily incurred as a result of early termination of the Services.

G. General. This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both MHM and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs MHM to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in MHM newsletters and publications and discussions with third parties regarding work opportunities.

H. Leased personnel. In performing our engagement we will lease professional and administrative staff, both of which are employed by CBIZ MHM, LLC or its related entities. These individuals will be under the direct control and supervision of MHM, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing

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the accounting profession, including the requirement to maintain the confidentiality of client information and MHM and CBIZ MHM, LLC and its related entities have contractual agreements requiring confidential treatment of all client information.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment offers to our personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

Professional standards require us to be independent with respect to the Company in the performance of our services. Any discussions that the Company has with personnel of our Firm regarding potential employment with the Company could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure the independence and objectivity of our engagement. Any additional costs incurred due to these procedures will be fully billable in addition to our fee.

K. Safe Environment. You agree that in any circumstances wherein MHM personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files which MHM generates in connection with this engagement are the property of MHM. Upon the termination of this engagement, upon request we will return your original records to you. All MHM workpapers and files will be retained, pursuant to MHM's document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

With regard to the electronic dissemination of financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. You

agree that you shall bear the risk of any inconsistency between the electronic document and the original document.

N. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty four (24) months after performance of our service for continuing clients and twelve (12) months for clients who discontinue their relationship with MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of MHM's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section P of these Terms and Conditions.

If there is a fee dispute, you and MHM agree to submit all fee disputes to resolution by arbitration in accordance with the rules of the American Arbitration Association. You waive the right to make counterclaims in the arbitration of such fee disputes and such arbitration shall be binding and final, as permitted by the law of the applicable jurisdiction. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before any judge or jury and instead are accepting the use of arbitration for resolution. Each party will bear its own costs of arbitration and both parties shall share equally the costs of the arbitrators.

O. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall MHM or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.

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P. Governing Law and Severability. These Terms and Conditions of Services, and the engagement letter to which these terms are appended, shall be governed by, and construed in accordance with, the laws of the State in which MHM personnel rendering the attest services are located (without giving effect to the choice of law principles thereof). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.



Davis, Kinard & Co., P.C.
Certified Public Accountants

First Financial Bank Building
400 Pine Street, Suite 600
Abilene, Texas 79601-5138
Office (325) 672-4000
FAX (325) 672-7049
1-800-588-2526

September 26, 2008

To the Shareholders of
Mayer Hoffman McCann P.C.
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Mayer Hoffman McCann P.C. (the firm) applicable to non-SEC issuers in effect for the year ended April 30, 2008. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Mayer Hoffman McCann P.C. in effect for the year ended April 30, 2008, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

As is customary in a system review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

Davis, Kinard & Co., P.C.

DAVIS, KINARD & CO., P.C.

FOR MORE INFORMATION CONTACT:

American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, North Carolina 27707-8110



Mayer Hoffman McCann P.C.

An Independent CPA Firm

One South Wacker Drive, Suite 1800
Chicago, Illinois 60606-4603
312-602-6800 ph
312-602-6950 fx
www.mhm-pc.com

copy

January 4, 2011

Ms. Polly Kuehl
Vice President/Property Management
Evergreen Real Estate Services
566 West Lake Street
Suite 400
Chicago, IL 60661

Dear Polly:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide **Ravinia Housing** (the Project). This letter, which incorporates the attached Terms and Conditions, constitutes the entire agreement between the parties with respect to Mayer Hoffman McCann P.C.'s performance of the professional services described herein.

ENGAGEMENT OBJECTIVES

We will apply the agreed-upon procedure which the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), has specified, listed in the attached schedule, to the electronic submission and related hard copy documents listed in the attached schedule of as of and for the year ended December 31, 2010. This engagement is solely to assist the Project and the U.S. Department of Housing and Urban Development, REAC, in determining whether electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package.

OUR RESPONSIBILITIES

Our engagement to apply the agreed-upon procedure will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedure described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedure, we will describe any restrictions on the performance of the procedure in our report, or we will not issue a report as a result of this engagement.

We will submit a report listing the procedure performed and our findings. This report is intended solely for the use of the Project and the U.S. Department of Housing and Urban Development, REAC, and should not be used by those who did not agree to the procedure and take responsibility for the sufficiency of the procedure for their purposes.

Our report will include a statement that we have not performed any additional auditing procedures after the date of our reports on the audited financial statements and supplemental information. Further, we take

Ms. Polly Kuehl
January 4, 2011
Page 3 of 10

time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. In addition, fees for any related projects requiring research and/or consultation on special business or financial issues, will be billed separately from the fee referred to above and will be subject to separate arrangements.

We consider telephone calls and meetings on accounting and reporting matters to be an integral part of the engagement and no additional fees are charged for these services. If, however, there is a significant transaction or new accounting issue that requires us to spend a substantial amount of time that clearly was not anticipated in our fee proposal, there may be additional billing.

Invoices will be submitted as the work progresses and a final invoice will be submitted upon completion of the services. Invoices are payable upon receipt.

For administrative convenience, the fees for our services will be invoiced through CBIZ MHM, LLC.

OTHER ENGAGEMENT MATTERS

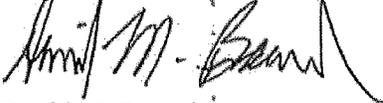
This letter and the attached Terms and Conditions set forth the rights and responsibilities of the parties with respect to the services to be provided. The attachment is an integral part of this agreement. This engagement is being undertaken solely for the benefit of the parties to this agreement, and no other person shall be entitled to enforce the terms of this agreement.

The undersigned is the engagement shareholder responsible for supervising the engagement and signing the report.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

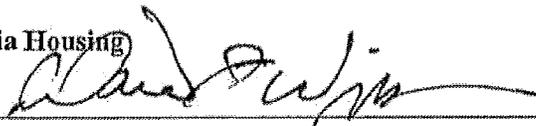
Mayer Hoffman McCann P.C.



David M. Barrash
Shareholder
DMB:dml
Enclosures

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Ravinia Housing

By: 

Title: President

Date: 1/10/11

ATTACHMENT

1. Compare the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column as shown in the chart below.

UFRS Rule Information	Hard Copy Document(s)
Balance Sheet, Revenue and Expense and Cash Flow Data (account numbers 1120 to 7100T and the S1200 series)	Supplemental Schedules with Financial Statement Data
Surplus Cash (S1300 series of accounts)	Computation of Surplus Cash, Distributions and Residual Receipts (Annual)
Footnotes (S3100 series of accounts)	Notes to the Financial Statements
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500 and S3600 series of accounts)	Auditor's Reports on the Financial Statements, Compliance and Internal Control
Type of Opinion on Supplemental Data (account S3400-100)	Auditor's Report on Supplemental Data
Audit Findings Narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs
General Information (S3300, S3700 and S3800 series of accounts)	Schedule of Findings and Questioned Costs and OMB Data Collection Form

Mayer Hoffman McCann P.C.
Engagement Letter
Terms and Conditions

A. Services. These Terms and Conditions and the engagement letter (and any attachments) (the "Engagement Letter"), and any subsequent amendments or addenda thereto, to which these Terms and Conditions are attached (collectively, the "Agreement") constitute the entire agreement between the entity identified in the accompanying Engagement Letter (the Client) and Mayer Hoffman McCann P.C. ("MHM"), regarding the services described in the Engagement Letter. MHM will provide the Services described in the Engagement Letter, and will use all reasonable efforts to perform the Services in accordance with any agreed upon timeframe. MHM has every expectation that this engagement will be conducted by the MHM professionals designated for this engagement. If for any reason any of those individuals are not able to complete this engagement, professionals with similar qualifications and experience will do so. Where any changes are necessary, MHM will give Client reasonable notice of the changes.

B. Ownership. Client shall own the copyright in all written material originated and prepared for and delivered to the Client under this Agreement. However, MHM working papers, files and MHM Confidential Information (as defined below) belong exclusively to MHM. The ideas, concepts, know-how, techniques, inventions, discoveries and improvements developed during the course of this Agreement by MHM personnel, alone or in conjunction with Client personnel, may be used by MHM in any way it deems appropriate, including without limitation by or for its clients or customers, without an obligation to account, notwithstanding any provision in this Agreement to the contrary. MHM is in the business of providing attestation services for a wide variety of clients and the Client understands that MHM will continue these activities. Accordingly, nothing in this Agreement shall preclude or limit MHM from providing attestation services, consulting services and/or developing software or materials for itself or other clients, irrespective of the possible similarity of materials, which might be delivered to the Client.

C. Confidentiality. MHM agrees that all financial, statistical, marketing and personnel data relating to the Client's business, and other information identified as confidential by the Client, are confidential information of the Client ("Client Confidential Information"). The Client agrees that MHM proprietary software, tools and other methodologies and any other information identified as confidential by MHM, are confidential information of MHM ("MHM Confidential Information"). Client Confidential Information and MHM Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party which is disclosed to it only for the purposes of this Agreement and shall not disclose such Confidential Information to any third party without the other party's prior written consent, other than to MHM subcontractors hired in connection with this engagement, if any, and to each other's employees on a need-to-know basis in connection with this engagement. Each party agrees to take measures to protect the confidentiality of the other party's Confidential Information that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own Confidential Information, but at a minimum, each party shall take reasonable steps to advise their employees (and, in the case of MHM, its subcontractors, if any) of the confidential nature of the Confidential Information and of the prohibitions on copying or revealing such Confidential Information contained herein. MHM and the Client each agree to require that the other party's Confidential Information be kept in a reasonably secure location.

Ms. Polly Kuehl
January 4, 2011
Page 6 of 10

Notwithstanding anything to the contrary contained in this Agreement, Client may convey MHM's comments and thoughts to Client's outside counsel and investment bankers provided Client accurately describes the terms, including the limitations, of MHM's engagement. Furthermore, neither party shall be obligated to treat as confidential, or otherwise be subject to the restrictions on use, disclosure or treatment contained in this Agreement for, any information disclosed by the other party (the "Disclosing Party") which: (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by MHM in breach hereof, (ii) is disclosed by you or your personnel to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to MHM on a non-confidential basis from a source other than you or your personnel which MHM does not believe is prohibited from disclosing such information to MHM by obligation to you, (iv) is known by MHM prior to its receipt from you without any obligation of confidentiality with respect thereto, or (v) is developed by MHM independently of any disclosures made by you or your personnel to CBIZ MHM of such information.

Neither party will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own confidential information. Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party to the extent that this is required by valid legal or regulatory process, provided that (and without breaching any legal or regulatory requirement) the party to which the request is made provides the Disclosing Party with prompt written notice and allows the Disclosing Party to seek a restraining order or other appropriate relief.

We may be requested to make certain workpapers or files available to certain regulatory agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of MHM's personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to certain regulatory agencies. Certain regulatory agencies may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

D. Client Responsibilities. Client agrees to provide reasonable workspace, administrative support, computer facilities and other support, which are necessary to perform the Services; including providing high-speed Internet access to our engagement team, if practicable, while working at the Client premises. Client agrees to perform in a timely fashion those tasks and provide the personnel agreed to by the parties. Client personnel assigned to work on matters related to this engagement will be qualified for the tasks for which they are assigned. MHM's performance is dependent on Client carrying out its responsibilities as set out in this Agreement. Client's failure to satisfy its responsibilities under this Agreement may lead to an increase in our fees, depending upon the extent to which we have to perform more work ourselves or reschedule our commitments to deliver the Services, or our inability to provide the Services. Should Client fail to perform any of its obligations under this Agreement, MHM shall not be responsible for any delay or other consequences due to such failure.

E. Fees and Payment. Client shall pay MHM the fees set forth in the Engagement Letter. Client shall also be responsible for paying any taxes (such as applicable sales taxes, duties or goods and services taxes) for which it is legally liable arising from this Agreement at the rate in force at the date the liability arises. Our invoices will be issued as set out in the Engagement Letter. All invoices will be due upon

receipt unless stated otherwise in the Engagement Letter. Services rendered after the expiration of the term of the engagement or in addition to the scope contemplated herein and in the Engagement Letter, such as meetings, planning, etc., will be billed separately at our hourly rates.

F. Term and Termination. This Agreement will apply from the commencement date stated in the Engagement Letter, if any, or where no commencement date is specified, from the date of signature by both parties. If MHM commenced the performance of the Services prior to the execution of this Agreement, this Agreement shall nonetheless cover the performance of such Services. This Agreement will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out elsewhere herein. MHM shall be under no duty to update or revise its opinion or report, once issued, unless expressly engaged to do so by the Client, and MHM shall be under no duty to accept any such engagement. If we accept such an engagement, we will be required to perform certain procedures required by generally accepted auditing standards. The following sections of this Agreement will survive completion of the Services or its earlier termination: Confidentiality, Ownership, and such other provisions of this Agreement which by their nature are intended to survive.

Either party may terminate this Agreement upon written notice to the other party irrespective of whether MHM has issued its opinion or report. Client will be responsible for fees and expenses incurred through the date the termination notice is received. Where Client terminates this Agreement, Client will pay MHM for additional costs necessarily incurred as a result of early termination of the Services.

G. General. This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both MHM and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs MHM to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in MHM newsletters and publications and discussions with third parties regarding work opportunities.

H. Leased personnel. In performing our engagement we will lease professional and administrative staff, both of which are employed by CBIZ MHM, LLC or its related entities. These individuals will be under the direct control and supervision of MHM, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information and MHM and CBIZ MHM, LLC and its related entities have contractual agreements requiring confidential treatment of all client information.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment offers to our personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

Professional standards require us to be independent with respect to the Company in the performance of our services. Any discussions that the Company has with personnel of our Firm regarding potential employment with the Company could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure the independence and objectivity of our engagement. Any additional costs incurred due to these procedures will be fully billable in addition to our fee.

K. Safe Environment. You agree that in any circumstances wherein MHM personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files which MHM generates in connection with this engagement are the property of MHM. Upon the termination of this engagement, upon request we will return your original records to you. All MHM workpapers and files will be retained, pursuant to MHM's document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under

Ms. Polly Kuehl
January 4, 2011
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applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

With regard to the electronic dissemination of financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. You agree that you shall bear the risk of any inconsistency between the electronic document and the original document.

N. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty four (24) months after performance of our service for continuing clients and twelve (12) months for clients who discontinue their relationship with MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of MHM's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section P of these Terms and Conditions.

If there is a fee dispute, you and MHM agree to submit all fee disputes to resolution by arbitration in accordance with the rules of the American Arbitration Association. You waive the right to make counterclaims in the arbitration of such fee disputes and such arbitration shall be binding and final, as permitted by the law of the applicable jurisdiction. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before any judge or jury and instead are accepting the use of arbitration for resolution. Each party will bear its own costs of arbitration and both parties shall share equally the costs of the arbitrators.

Ms. Polly Kuehl
January 4, 2011
Page 10 of 10

O. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall MHM or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.

P. Governing Law and Severability. These Terms and Conditions of Services, and the engagement letter to which these terms are appended, shall be governed by, and construed in accordance with, the laws of the State in which MHM personnel rendering the attest services are located (without giving effect to the choice of law principles thereof). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.



CBIZ

CBIZ MHM, LLC

One South Wacker Drive, Suite 1800

Chicago, IL 60606

Ph: 312.602.6800 ■ F: 312.602.6950

Copy

January 4, 2011

Ms. Polly Kuehl
Vice President/Property Management
Evergreen Real Estate Services
566 West Lake Street
Suite 400
Chicago, IL 60661

Dear Ms. Kuehl:

CBIZ MHM, LLC ("CBIZ MHM") is pleased to provide **Ravinia Housing Association** with professional tax services. This engagement letter, and the attached Terms and Conditions of Services, embodies the entire agreement regarding tax return preparation services to be rendered by CBIZ MHM.

You are providing your primary contact, financial and business information in order to permit CBIZ MHM to offer you tax and business suggestions when CBIZ MHM deems it appropriate or advantageous to you. You confirm that this service, while creating no duty on the part of CBIZ MHM, is a benefit to you that is separate from and in addition to any tax return preparation services. We will prepare the following tax returns for **Ravinia Housing Association** for the year ended December 31, 2010 from financial and tax information that you will furnish to us:

- U.S. Return of Organization Exempt from Income Tax, Form 990
- Illinois Return of Organization Exempt from Income Tax Form AG 990-IL

While it is our intention to suggest tax and business ideas or services to you, this engagement generally does not include the rendering of any specific tax consulting services. However, we may provide, at your request, limited tax consulting services including, but not limited to, tax projections, responding to inquiries or tax examinations by any governmental agency or tax authority, assisting you in maintaining your accounting and depreciation records, reviewing proposed or completed transactions, or tax research in connection with these matters. These limited consulting services will be subject to the attached Terms and Conditions of Services and our fees for these additional services will be based upon our prevailing hourly rates effective at the time the services are provided, plus administrative and processing charges, unless otherwise agreed to by both parties.

If you ask us to perform other services that are not covered by this, or any other, engagement letter, you agree that any such engagements or services performed as a result of such requests are subject to the attached Terms and Conditions of Services.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible. However, there can be no assurance that any tax positions taken will not be challenged. Our tax advice is based on our assumption (without independent verification) that all of the representations and all of the originals, copies, and signatures of documents reviewed by us are accurate, true, and authentic and the law, regulations, cases, rulings, and other tax authority in effect as of the date the services were rendered. If there are subsequent changes in or to the foregoing tax authorities (for which we shall have no

Ms. Polly Kuehl
January 4, 2011
Page 2 of 10

responsibility to advise you), such changes may result in our advice being rendered invalid or necessitate (upon your request) a reconsideration of the advice.

You represent and warrant that the information you are supplying to us is accurate and complete to the best of your knowledge as required for the preparation of complete and accurate tax returns. You should retain all documents that form the basis for the information presented on tax return forms and schedules, elections and disclosures, including proper records to support deductions claimed for meals, entertainment, travel, gifts, charitable contributions, and vehicle use (if applicable). These may be necessary to prove the accuracy and completeness of the returns to taxing authorities. You have the final responsibility for the above tax returns and, therefore, you should review them carefully before you sign them. Please refer to Section D of the attached Terms and Conditions of Services for additional information.

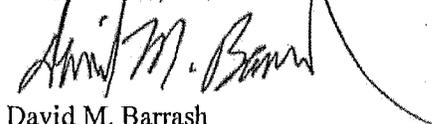
Our fees for these tax services will be based on the fee quote contained in this paragraph, plus administrative and processing charges. Based on the information provided by you to us regarding the nature and scope of this engagement, the fee is \$1,100. This quote is dependent upon the accuracy and completeness of the information provided by you to us regarding the nature and scope of this engagement, as well as upon anticipated cooperation from your personnel, and the ready availability of all information necessary for us to complete the engagement. If the information provided by you to us regarding the nature and scope of this engagement is not accurate or complete, we do not receive the anticipated cooperation of your personnel, or if the information necessary for us to complete this engagement is not readily available to us, we will discuss this with you and arrive at a revised fee quote. Please refer to Section E of the attached Terms and Conditions of Services for additional information.

If you agree with the terms of our engagement as described in this letter and the attached Terms and Conditions of Services, please sign the enclosed copy of this letter and return it to us. However, if there are any additional tax returns you expect us to prepare, please inform us by noting so at the end of the returned copy of this letter.

We want to thank you for using CBIZ MHM, LLC and look forward to a long and mutually satisfying relationship.

Very truly yours,

CBIZ MHM, LLC



David M. Barrash
Managing Director
DMB:dml
Enclosures

Ms. Polly Kuehl
January 4, 2011
Page 3 of 10

Accepted by: **Ravinia Housing Association**

Signature



Date

1/10/11

Title

President

Additional tax returns:

Ms. Polly Kuehl
January 4, 2011
Page 4 of 10

TERMS AND CONDITIONS OF SERVICES

A. Services. These Terms and Conditions of Services and the engagement letter to which these terms are appended constitute the entire agreement between you and CBIZ MHM for the tax services to be rendered. As used herein, the term "tax services", includes only the tax services as described in the attached engagement letter. All decisions in connection with the implementation of CBIZ MHM's tax services in connection with this engagement shall be your responsibility.

B. Third Parties and Internal Use. Except as otherwise agreed, all tax services hereunder shall be solely for your internal purposes and use, and this engagement does not create privity between CBIZ MHM and any person or party other than you (a "third party"). This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the tax services provided by CBIZ MHM. In order to protect CBIZ MHM from any unauthorized reliance or claims, you further agree that the tax services provided by CBIZ MHM shall not be distributed, made available, circulated, or quoted to or used by any third party without the prior written consent of CBIZ MHM. However, nothing in this paragraph shall be construed as limiting or restricting such disclosure for your tax return filing purposes. You agree to hold CBIZ MHM harmless from any claims or liability that may arise out of or result from CBIZ MHM complying with your request to disclose or share your information with third-parties.

C. Confidentiality. To the extent that, in connection with this engagement, CBIZ MHM comes into possession of any information of yours identified as proprietary or confidential, CBIZ MHM will not disclose such information to any third party without your consent, except (a) as may be required by law, regulation, judicial or administrative process, in accordance with applicable professional standards, or in connection with litigation pertaining hereto, or (b) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by CBIZ MHM in breach hereof, (ii) is disclosed by you or your personnel to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to CBIZ MHM on a non-confidential basis from a source other than you or your personnel which CBIZ MHM does not believe is prohibited from disclosing such information to CBIZ MHM by obligation to you, (iv) is known by CBIZ MHM prior to its receipt from you without any obligation of confidentiality with respect thereto, or (v) is developed by CBIZ MHM independently of any disclosures made by you or your personnel to CBIZ MHM of such information.

We may disclose the information you provide to us in connection with the preparation of your tax return ("Information") to Mayer Hoffman McCann P.C. ("MHM PC"), so that MHM PC can provide you with any attest services you have engaged MHM PC to perform. You authorize MHM PC to provide us access to all of your files and accounting, tax, financial and other information in its possession for the purpose of providing all tax services requested.

We may use subcontractors, which may be located outside the U.S., to assist us in the preparation of our clients' tax returns. In order to safeguard the confidentiality of client information, both CBIZ MHM and

Ms. Polly Kuehl
January 4, 2011
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any subcontractors we may use have established internal policies, procedures and controls designed to maintain data security and protect privacy. We will not utilize a subcontractor without a written confidentiality agreement in place to prevent the unauthorized release of client information.

We may disclose the Information to any company, or any employee of such company, that is owned or controlled, directly or indirectly, by CBIZ, Inc. ("Affiliate"). We may use the Information for a number of purposes in our efforts to provide you with access to the different types of services offered by our Affiliates, including where appropriate, tax consulting, general business consulting, retirement or estate planning, business succession, asset acquisition or disposition, payroll, benefits, insurance, wealth management and investing, human resources, accounting, valuation, internal audit, mergers and acquisitions, and technology consulting. You have the right to limit the Information you wish to have used or disclosed. We may use the Information to compile lists in order to provide you with tax or business information, newsletters or other correspondence determined from the Information to be relevant to you or your industry, and information on other products or services offered by our Affiliates. If your tax return involves the preparation of Forms K-1, we may provide a copy of Form K-1 to the person described thereon. We may also use and disclose the Information as subsequently requested or directed by you. We will not disclose Information to any person who is not an Affiliate without obtaining a separate consent to such disclosure except (a) as otherwise specifically provided herein, or (b) at your request or direction. Unless you specify otherwise, the consent to the use and disclosure of the Information provided herein will be valid until the statute of limitations to assess any tax by the Internal Revenue Service with respect to the tax return has expired.

D. Client Responsibilities. You are responsible for making all financial records and related information available to us. CBIZ MHM shall be entitled to assume, without independent verification, the accuracy of all representations, assumptions, information and data that you and your representatives provide to CBIZ MHM. All assumptions, representations, information and data to be supplied by you and your representatives will be complete and accurate to the best of your knowledge. CBIZ MHM may use information and data furnished by others; however, CBIZ MHM shall not be responsible for, and CBIZ MHM shall provide no assurance regarding, the accuracy and completeness of any such information or data. Except as specifically provided herein, CBIZ MHM shall not assume any responsibility for any financial reporting with respect to the tax services provided hereunder. You acknowledge and understand that CBIZ MHM is providing no attest services of any kind, scope or nature whatsoever, as part of this engagement. CBIZ MHM shall have no responsibility to address any legal matters or questions of law in connection with this engagement. See section C above for additional information regarding confidentiality.

You shall cooperate with CBIZ MHM in the performance by CBIZ MHM of its tax services hereunder, including, without limitation, providing CBIZ MHM with reasonable facilities and timely access to data, information, and your personnel. You shall be responsible for the performance of your personnel and agents and for the accuracy and completeness of all data and information provided to CBIZ MHM for purposes of the performance by CBIZ MHM of its tax services hereunder.

E. Fees and Payment. Our invoices for these tax services will be rendered each month as work progresses and are payable on presentation. If properly submitted invoices are not paid within 30 days of

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the invoice date, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law. Without limiting its rights or remedies, CBIZ MHM shall have the right to halt or terminate entirely its tax services until full payment is received on such past due invoices. In the case of nonpayment, you will be liable for any and all costs and fees incurred by CBIZ MHM to collect the fees contemplated herein. The failure of CBIZ MHM to exercise its right to suspend or terminate work shall not constitute a waiver by CBIZ MHM of any right or remedy. In the event of a termination of this engagement pursuant to section F below, you agree to compensate CBIZ MHM for tax services performed and expenses incurred through the effective date of termination. All outstanding bills will be paid in full prior to the release of any information or prior to final product or service delivery, unless other arrangements to pay your bill have been agreed upon. See section O below for additional information regarding Limitation on Damages.

F. Term. This engagement shall conclude on the completion and delivery of CBIZ MHM's tax services hereunder. This engagement may be terminated by either party at any time by giving written notice to the other party not less than 10 business days before the effective date of termination.

G. General. This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both CBIZ MHM and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs CBIZ MHM to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in CBIZ MHM newsletters and publications and discussions with third parties regarding work opportunities.

H. Foreign Financial Account Reporting. Any U.S. citizen or resident (including individuals, corporations, partnerships, trusts and estates) who has a financial interest in, or signature or other authority over, "foreign financial accounts" with an aggregate value exceeding \$10,000 at any time during the prior calendar year, is required to report that relationship to the Internal Revenue Service. Filing requirements also apply to those with direct or indirect control over a foreign or domestic entity with

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foreign financial accounts, even if the taxpayer does not have foreign financial accounts of its own. Because persons with a financial interest and persons with signature authority are required to submit filings, a single account may require multiple filings. For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority.

“Foreign financial accounts”, for purposes of this section, are financial accounts located in a foreign jurisdiction and may include, but are not limited to, bank accounts, mutual funds, securities or brokerage accounts, life insurance, credit cards, retirement plans and interests in partnerships, trusts or other pass-through entities having foreign accounts.

These filings must be made by June 30 and the due date of these filings cannot be extended. Failure to disclose the required information to the Internal Revenue Service, even an inadvertent failure, may result in substantial civil and/or criminal penalties.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment Offers to Our Personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person’s annual compensation.

K. Safe Environment. You agree that in any circumstances wherein CBIZ personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files which CBIZ MHM generates in connection with this engagement are the property of CBIZ MHM. Upon the termination of this engagement, upon request we will return your original records to you. All CBIZ MHM workpapers and files will be retained pursuant to CBIZ MHM’s document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

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N. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty four (24) months after performance of our service for continuing clients and twelve (12) months for clients who discontinue their relationship with CBIZ MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of CBIZ MHM's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section P of these Terms and Conditions.

If there is a fee dispute you and CBIZ MHM agree to submit all fee disputes to resolution by arbitration in accordance with the rules of the American Arbitration Association. You waive the right to make counterclaims in the arbitration of such fee disputes and such arbitration shall be binding and final, as permitted by the law of the applicable jurisdiction. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before any judge or jury and instead are accepting the use of arbitration for resolution. Each party will bear its own costs of arbitration and both parties shall share equally the costs of the arbitrators.

This Section N is not applicable to engagements with SEC registrants where Mayer Hoffman McCann P.C. is the auditor of record.

O. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that CBIZ MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall CBIZ MHM or its personnel be liable for

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consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise. This Section O is not applicable to engagements with SEC registrants where Mayer Hoffman McCann P.C. is the auditor of record.

P. Governing Law and Severability. These Terms and Conditions of Services, and the engagement letter to which these terms are appended, shall be governed by, and construed in accordance with, the laws of the State in which CBIZ MHM personnel rendering the tax services are located (without giving effect to the choice of law principles thereof). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

Q. Inherent Conflicts of Interest: CBIZ MHM cannot represent a client when there is a significant risk that the representation of one or more clients will be materially limited by the practitioner's responsibilities to another client (a "conflict of interest"), unless all affected parties waived the conflict of interest in writing. In some very common situations there are inherent potential conflicts of interest between or among clients. For example, an entity, such as a corporation, partnership or limited liability company, has potential conflicts of interest with its respective shareholders, partners or members, board members, officers, management team or employees (collectively "Executives"). Conflicts are present in almost any financial decision of the entity; for example, certain tax elections required to be made by the entity may not benefit all Executives equally, or decisions to make capital improvements, borrow money or admit new owners may have a financial impact on existing Executives. Another example of common inherent conflicts of interest exist between or among estates, trusts or similar entities represented by a fiduciary ("Estate") or a person engaged in succession planning or other disposition of assets ("Grantor"), and the respective primary and contingent beneficiaries ("Beneficiaries"). Tax elections, return positions, or other decisions regarding assets or investments may be required to be made by the Estate, and those elections, positions or decisions may not benefit all Beneficiaries equally. It is common for CBIZ MHM to provide tax advice and prepare tax returns for both entities and their Executives or Beneficiaries. If CBIZ MHM represents any of your Executives or Beneficiaries, you hereby acknowledge such conflicts of interest and agree that CBIZ MHM can advise and prepare tax returns for those Executives or Beneficiaries as well as perform the services described in this engagement letter on your behalf.

R. Limitations on Oral and Email Communication: We may discuss with you our views regarding the tax treatment of certain items and may provide you with tax information in the body of an email. Any advice or information delivered orally or in the body of an email (as opposed to a memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions. Because of these limitations and the related risks, it may not be appropriate to proceed with any transaction solely on the basis of any oral or email communication, and we will not be liable for any loss, cost, or expense resulting from your decision to rely on any oral or email communication.

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S. Indemnification. Unless otherwise prohibited by law or applicable professional standard, you shall indemnify and hold harmless CBIZ MHM and its personnel from and against any causes of action, damages (whether compensatory, consequential, special, indirect, incidental, punitive, exemplary, or of any other type or nature), costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonable time and expenses of CBIZ MHM's personnel involved) brought against or involving CBIZ MHM at any time and in any way arising out of or relating to CBIZ MHM's services under this engagement, except to the extent judicially determined to have resulted from the bad faith, gross negligence, or willful or intentional misconduct of CBIZ MHM's personnel. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, tort, or otherwise.

If any action or proceeding (any of the foregoing being a "Claim") is threatened or commenced by any third party against CBIZ MHM that you are obligated to defend or indemnify under this Agreement, then written notice thereof shall be given to you as promptly as practicable. After such notice and only so long as CBIZ MHM's and your interests with respect to the claim remain consistent, no conflict exists, and, by your control of the defense, CBIZ MHM's insurance is not voided or otherwise compromised in any way, you shall be entitled, if you so elect in writing within ten days after receipt of such notice, to take control of the defense and investigation of such Claim and to employ and engage attorneys to handle and defend the same, at your sole cost and expense, with the approval of CBIZ MHM, which approval shall not be unreasonably withheld. CBIZ MHM shall cooperate in all reasonable respects with you and your attorneys in the investigation, trial and defense of such Claim and any appeal arising therefrom; provided, however, that CBIZ MHM may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such Claim and any appeal arising therefrom. You shall enter into no settlement of a Claim that involves a remedy other than the payment of money by you without the prior consent of CBIZ MHM.

After notice by you to CBIZ MHM of your election to assume full control of the defense of any such Claim, and CBIZ MHM's approval of selected counsel, you shall not be liable to CBIZ MHM for any legal expenses incurred thereafter by CBIZ MHM in connection with the defense of that Claim. If you do not assume full control over the defense of a Claim, then you may participate in such defense, at your sole cost and expense, and CBIZ MHM shall have the right to defend you in such manner as it may deem appropriate, at your cost and expense.



Mayer Hoffman McCann P.C.

An Independent CPA Firm

One South Wacker Drive, Suite 1800
Chicago, Illinois 60606-4603
312-602-6800 ph
312-602-6950 fx
www.mhm-pc.com

copy

January 4, 2011

Ms. Polly Kuehl
Vice President/Property Management
Evergreen Real Estate Services
566 West Lake Street
Suite 400
Chicago, IL 60661

Dear Ms. Kuehl:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide for **Ravinia Housing Association**. This letter, which incorporates the attached Terms and Conditions, constitutes the entire agreement between the parties with respect to Mayer Hoffman McCann P.C.'s performance of the professional services described herein.

ENGAGEMENT OBJECTIVES

We will audit the statement of financial position of Ravinia Housing (the "Project") as of December 31, 2010 and the related statements of activities and cash flows for the year then ended. Also, as required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (the "Circular"), the document we will submit to you will include the Schedule of Expenditures of Federal Awards (the "Schedule") and other supplementary financial information required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*. The document may also include other supplementary information requested by you. The supplementary information will be subjected to the audit procedures applied in the audit of the basic financial statements.

OUR RESPONSIBILITIES

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal controls related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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The reports on internal controls and compliance will each include a statement that the report is intended for the information of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and, if applicable, pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Audit

Our audit will be conducted in accordance with U.S. generally accepted auditing standards, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996 (the Act) and the provisions of the Circular. Our audit will include tests of the accounting records, a determination of major program(s) in accordance with the Circular, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or Single Audit compliance opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the Project or to acts by management or employees on behalf of the Project. As required by the Act and Circular, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and agreements.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. This may include the use of project or group-based sampling, where applicable. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or to major programs. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We also will inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The document we submit to you will be a printed copy of the financial statements and supplementary information. CBIZ MHM, LLC will be available to assist you with the electronic submission of the required financial, audit and other information to HUD's Real Estate Assessment Center (REAC).

Internal Control

Our audit will include obtaining an understanding of the Project and its environment, including internal controls sufficient to assess the risks of material misstatement of the financial statements and of material noncompliance with specific requirements applicable to major HUD-assisted programs and to design the nature, timing, and extent of further audit procedures to be performed.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal controls issued pursuant to *Government Auditing Standards*.

As required by the Circular, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Circular.

An audit is not designed to provide assurance on internal controls or to identify control deficiencies. However, we will inform those charged with governance of any matters involving internal control and its operation that we consider to be significant deficiencies or material weaknesses under standards established by the American Institute of Certified Public Accountants. Material weaknesses involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Project's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. In addition, we will inform you of any other control deficiencies or other matters involving internal controls, if any, as required by the *Government Auditing Standards* and OMB Circular A-133.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Project's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

As required by the Circular, we will perform the audit to obtain reasonable assurance about whether the Project has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB Circular A-133 *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on the Project's major programs. The purpose of these procedures will be to express an opinion on the Project's compliance with the requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

The services described above do not relieve management or those charged with governance of their responsibilities.

THOSE CHARGED WITH GOVERNANCE

As defined by U.S. generally accepted auditing standards, you are responsible for overseeing the strategic direction of the Project and obligations related to the accountability of the Project. These responsibilities include, but are not limited to, overseeing the financial reporting process, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services incorporated in this letter and informing us about all known or suspected fraud involving the Project. In turn, we will provide you with any communications as required by U.S. generally accepted auditing standards.

MANAGEMENT'S RESPONSIBILITIES

You are responsible for management decisions and functions, and for designating a qualified management-level individual to oversee any bookkeeping services, tax services, or other services provided by us or by CBIZ MHM, LLC. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities and compliance with the provisions of contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles and that federal awards programs are managed in compliance with applicable laws and regulations, and the provisions of contracts and grant agreements.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and may assist in the preparation of your financial statements, including the schedule of expenditures of federal awards, and the related notes but the responsibility for those items remains with you. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

This responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Project involving (a) management, (b) employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Project received in

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communications from employees, former employees, grantors, regulators, or others. In addition, you are also responsible for identifying and ensuring that the Project complies with applicable laws and regulations. Additionally, as required by the Circular, it is your responsibility to follow up and take required corrective action on reported audit findings and to prepare a summary schedule of prior findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review when we commence fieldwork.

You are also responsible for assuring that the electronic submission of required annual financial statement, audit, and other financial information to HUD's Real Estate Assessment Center (REAC) is complete, accurate, and timely, in accordance with your regulatory and contractual obligations to HUD. Performance of the agreed-upon procedure required by HUD relating to the electronic submission of your financial information will be addressed in a separate letter and is subject to a separate fee.

During the course of our engagement, we will request information and explanations from management regarding the Project's operations, internal controls, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter, including acknowledging that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes and accept full responsibility for them. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Project agrees to release our firm and its shareholders and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Project's management.

We understand that your employees will prepare all confirmations and schedules we request and will locate any documents selected by us for testing.

OTHER SERVICES

Data Collection Form

We will complete the appropriate sections of the Data Collection Form, upload a PDF version of the financial statements, perform the online auditor certification, submit this information to the Federal Clearinghouse, and notify you once this is complete. You will receive notification via email from the Federal Audit Clearinghouse with a signature code to certify the Data Collection Form is complete and accurate. We will provide copies of our reports to you; however, it is management's responsibility to electronically certify the Data Collection Form using the new e-filing system. The Data Collection Form and the reporting package must be electronically certified within the earlier of 30 days after receipt of our reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency.

If you intend to include these financial statements and our report in an offering or other document at some future date, you agree to seek our prior written consent to do so at that time. You agree to provide reasonable notice to allow sufficient time for us to perform certain additional procedures. Any time you intend to publish or otherwise reproduce these financial statements and our report and make reference to our Firm name in any manner in connection herewith, you agree to provide us with printer's proofs or masters for our review and approval before printing or other reproduction. You will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are in addition to those discussed elsewhere in this letter.

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As a result of our prior or future services to you, we might be requested to provide information or documents to you or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests, we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Our relationship is strictly confidential. For that reason, it is our policy that we will not release any information to a third party either from our files or from material temporarily in our care without first obtaining your consent. It is agreed that we will provide CBIZ MHM, LLC with access to your accounting, financial and other records we maintain so CBIZ MHM, LLC can provide you with tax, advisory and consulting services you have engaged them to perform

ENGAGEMENT FEES

We estimate that our fees for these services will be \$8,100, including expenses such as travel, copies and printing, postage, etc.

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality and completeness of your records and, where applicable, upon your personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. In addition, fees for any related projects requiring research and/or consultation on special business or financial issues, will be billed separately from the fee referred to above and will be subject to separate arrangements.

We consider telephone calls and meetings on accounting and reporting matters to be an integral part of the engagement and no additional fees are charged for these services. If, however, there is a significant transaction or new accounting issue that requires us to spend a substantial amount of time that clearly was not anticipated in our fee proposal, there may be additional billing.

The fee estimate above assumes no adjustments will be necessary for routine accounting entries normally made before the beginning of the engagement. If, for any reason, we are asked to assist in the preparation of these entries, we will provide an estimate of the time required to perform such services and the additional fees to be billed.

Invoices will be submitted as the work progresses and a final invoice will be submitted upon completion of the services. Invoices are payable upon receipt.

For administrative convenience, the fees for our services will be invoiced through CBIZ MHM, LLC

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OTHER ENGAGEMENT MATTERS

This letter and the attached Terms and Conditions set forth the rights and responsibilities of the parties with respect to the services to be provided. The attachment is an integral part of this agreement. This engagement is being undertaken solely for the benefit of the parties to this agreement, and no other person shall be entitled to enforce the terms of this agreement.

These services are being provided under the American Institute of Certified Public Accountants (AICPA) and the Government Accountability Office (GAO) independence standards. If the Project becomes subject to Public Company Accounting Oversight Board (PCAOB) and Securities and Exchange Commission (SEC) independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report and any letter of comments, on the most recent peer review of our firm.

The workpapers for this engagement will be retained in accordance with our firm policy, or for any additional period requested by HUD. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

Robert Wilneff is the engagement shareholder responsible for supervising the engagement and signing the report.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Mayer Hoffman McCann P.C.

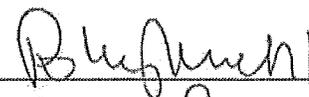

David M. Barrash
Shareholder
DMB:dml
Enclosures

Ravinia Housing

For Owner:

By 
Title President
Date 1/10/11

For Management Company

By 
Title Sr. V.P.
Date 1/6/11

Mayer Hoffman McCann P.C.
Engagement Letter
Terms and Conditions

A. Services. These Terms and Conditions and the engagement letter (and any attachments) (the "Engagement Letter"), and any subsequent amendments or addenda thereto, to which these Terms and Conditions are attached (collectively, the "Agreement") constitute the entire agreement between the entity identified in the accompanying Engagement Letter (the Client) and Mayer Hoffman McCann P.C. ("MHM"), regarding the services described in the Engagement Letter. MHM will provide the Services described in the Engagement Letter, and will use all reasonable efforts to perform the Services in accordance with any agreed upon timeframe. MHM has every expectation that this engagement will be conducted by the MHM professionals designated for this engagement. If for any reason any of those individuals are not able to complete this engagement, professionals with similar qualifications and experience will do so. Where any changes are necessary, MHM will give Client reasonable notice of the changes.

B. Ownership. Client shall own the copyright in all written material originated and prepared for and delivered to the Client under this Agreement. However, MHM working papers, files and MHM Confidential Information (as defined below) belong exclusively to MHM. The ideas, concepts, know-how, techniques, inventions, discoveries and improvements developed during the course of this Agreement by MHM personnel, alone or in conjunction with Client personnel, may be used by MHM in any way it deems appropriate, including without limitation by or for its clients or customers, without an obligation to account, notwithstanding any provision in this Agreement to the contrary. MHM is in the business of providing attestation services for a wide variety of clients and the Client understands that MHM will continue these activities. Accordingly, nothing in this Agreement shall preclude or limit MHM from providing attestation services, consulting services and/or developing software or materials for itself or other clients, irrespective of the possible similarity of materials, which might be delivered to the Client.

C. Confidentiality. MHM agrees that all financial, statistical, marketing and personnel data relating to the Client's business, and other information identified as confidential by the Client, are confidential information of the Client ("Client Confidential Information"). The Client agrees that MHM proprietary software, tools and other methodologies and any other information identified as confidential by MHM, are confidential information of MHM ("MHM Confidential Information"). Client Confidential Information and MHM Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party which is disclosed to it only for the purposes of this Agreement and shall not disclose such Confidential Information to any third party without the other party's prior written consent, other than to MHM subcontractors hired in connection with this engagement, if any, and to each other's employees on a need-to-know basis in connection with this engagement. Each party agrees to take measures to protect the confidentiality of the other party's Confidential Information that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own Confidential Information, but at a minimum, each party shall take reasonable steps to advise their employees (and, in the case of MHM, its subcontractors, if any) of the confidential nature of the Confidential Information and of the prohibitions on copying or revealing

such Confidential Information contained herein. MHM and the Client each agree to require that the other party's Confidential Information be kept in a reasonably secure location.

Notwithstanding anything to the contrary contained in this Agreement, Client may convey MHM's comments and thoughts to Client's outside counsel and investment bankers provided Client accurately describes the terms, including the limitations, of MHM's engagement. Furthermore, neither party shall be obligated to treat as confidential, or otherwise be subject to the restrictions on use, disclosure or treatment contained in this Agreement for, any information disclosed by the other party (the "Disclosing Party") which: (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by MHM in breach hereof, (ii) is disclosed by you or your personnel to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to MHM on a non-confidential basis from a source other than you or your personnel which MHM does not believe is prohibited from disclosing such information to MHM by obligation to you, (iv) is known by MHM prior to its receipt from you without any obligation of confidentiality with respect thereto, or (v) is developed by MHM independently of any disclosures made by you or your personnel to CBIZ MHM of such information.

Neither party will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own confidential information. Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party to the extent that this is required by valid legal or regulatory process, provided that (and without breaching any legal or regulatory requirement) the party to which the request is made provides the Disclosing Party with prompt written notice and allows the Disclosing Party to seek a restraining order or other appropriate relief.

We may be requested to make certain workpapers or files available to certain regulatory agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of MHM's personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to certain regulatory agencies. Certain regulatory agencies may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

D. Client Responsibilities. Client agrees to provide reasonable workspace, administrative support, computer facilities and other support, which are necessary to perform the Services; including providing high-speed Internet access to our engagement team, if practicable, while working at the Client premises. Client agrees to perform in a timely fashion those tasks and provide the personnel agreed to by the parties. Client personnel assigned to work on matters related to this engagement will be qualified for the tasks for which they are assigned. MHM's performance is dependent on Client carrying out its responsibilities as set out in this Agreement. Client's failure to satisfy its responsibilities under this Agreement may lead to an increase in our fees, depending upon the extent to which we have to perform more work ourselves or reschedule our commitments to deliver the Services, or our inability to provide the Services. Should Client fail to perform any of its obligations under this Agreement, MHM shall not be responsible for any delay or other consequences due to such failure.

E. Fees and Payment. Client shall pay MHM the fees set forth in the Engagement Letter. Client shall also be responsible for paying any taxes (such as applicable sales taxes, duties or goods and services

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taxes) for which it is legally liable arising from this Agreement at the rate in force at the date the liability arises. Our invoices will be issued as set out in the Engagement Letter. All invoices will be due upon receipt unless stated otherwise in the Engagement Letter. Services rendered after the expiration of the term of the engagement or in addition to the scope contemplated herein and in the Engagement Letter, such as meetings, planning, etc., will be billed separately at our hourly rates.

F. Term and Termination. This Agreement will apply from the commencement date stated in the Engagement Letter, if any, or where no commencement date is specified, from the date of signature by both parties. If MHM commenced the performance of the Services prior to the execution of this Agreement, this Agreement shall nonetheless cover the performance of such Services. This Agreement will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out elsewhere herein. MHM shall be under no duty to update or revise its opinion or report, once issued, unless expressly engaged to do so by the Client, and MHM shall be under no duty to accept any such engagement. If we accept such an engagement, we will be required to perform certain procedures required by generally accepted auditing standards. The following sections of this Agreement will survive completion of the Services or its earlier termination: Confidentiality, Ownership, and such other provisions of this Agreement which by their nature are intended to survive.

Either party may terminate this Agreement upon written notice to the other party irrespective of whether MHM has issued its opinion or report. Client will be responsible for fees and expenses incurred through the date the termination notice is received. Where Client terminates this Agreement, Client will pay MHM for additional costs necessarily incurred as a result of early termination of the Services.

G. General. This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both MHM and you. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs MHM to the contrary, on completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in MHM newsletters and publications and discussions with third parties regarding work opportunities.

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H. Leased personnel. In performing our engagement we will lease professional and administrative staff, both of which are employed by CBIZ MHM, LLC or its related entities. These individuals will be under the direct control and supervision of MHM, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information and MHM and CBIZ MHM, LLC and its related entities have contractual agreements requiring confidential treatment of all client information.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation of behalf of, or in the name of, the other.

J. Employment offers to our personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

Professional standards require us to be independent with respect to the Company in the performance of our services. Any discussions that the Company has with personnel of our Firm regarding potential employment with the Company could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure the independence and objectivity of our engagement. Any additional costs incurred due to these procedures will be fully billable in addition to our fee.

K. Safe Environment. You agree that in any circumstances wherein MHM personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files which MHM generates in connection with this engagement are the property of MHM. Upon the termination of this engagement, upon request we will return your original records to you. All MHM workpapers and files will be retained, pursuant to MHM's document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under

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applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

With regard to the electronic dissemination of financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. You agree that you shall bear the risk of any inconsistency between the electronic document and the original document.

N. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty four (24) months after performance of our service for continuing clients and twelve (12) months for clients who discontinue their relationship with MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, except with respect to the nonpayment or collection of MHM's fees, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties. If the parties cannot resolve a dispute not related to fees through mediation, either party may pursue action in a court of competent jurisdiction as set forth in Section P of these Terms and Conditions.

If there is a fee dispute, you and MHM agree to submit all fee disputes to resolution by arbitration in accordance with the rules of the American Arbitration Association. You waive the right to make counterclaims in the arbitration of such fee disputes and such arbitration shall be binding and final, as permitted by the law of the applicable jurisdiction. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before any judge or jury and instead are accepting the use of arbitration for resolution. Each party will bear its own costs of arbitration and both parties shall share equally the costs of the arbitrators.

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O. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall MHM or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.

P. Governing Law and Severability. These Terms and Conditions of Services, and the engagement letter to which these terms are appended, shall be governed by, and construed in accordance with, the laws of the State in which MHM personnel rendering the attest services are located (without giving effect to the choice of law principles thereof). If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

Agenda Item 4.
MEMORANDUM

To: Housing Commission

From: Mary Cele Smith, Housing Planner

Date: January 26, 2011

RE: Discussion regarding the Payment-in-Lieu Provision of the Inclusionary Housing Ordinance

The City's Inclusionary Housing Ordinance provides that the "per unit [cash] amount [for the payment-in-lieu] shall be based on an estimate of the cost of providing an affordable housing unit." The Ordinance provides that the City Council will review and modify the per unit cash amount periodically. In 2008, the City Council raised the payment-in-lieu to \$200,000 after a request from the Housing Commission. The Housing Commission directed staff to research the cost of providing an affordable unit. The attached memo summarizes this analysis that supported the request to City Council for an increase. Prior to the increase, City Council established the fee-in-lieu payment as \$100,000 in August 2003 at the time the Inclusionary Housing Ordinance was adopted.

Staff asks whether the Housing Commission would wish to conduct another analysis similar to the method described in the attached memo in order to determine the current cost of providing an affordable housing unit.

Memorandum

To: David Limardi, City Manager

From: Lee Smith, Senior Planner
Michael Blue, Director of Community Development

Date: August 18, 2008

RE: Recommendation of the Housing Commission for Revenue Sources for the Housing Trust Fund including the Cash Payment In-Lieu of Housing Units from the Inclusionary Housing program and the Affordable Housing Demolition Tax

Background

The 2008 budget goals of the Housing Commission and the Department of Community Development involve a review of the current amounts of the affordable housing demolition tax and the inclusionary zoning fee-in-lieu and recommendations for adjustments of said tax and fee. The Housing Commission considered a staff analysis of the demo tax and fee-in-lieu at its meeting on May_7, 2008 and recommended an increase of the demolition tax to \$25,000 and of the inclusionary housing fee-in-lieu to \$200,000.

The Housing Commission considered an analysis of the tax and the fee similar to the following, which has been amended for clarity.

Increasing Housing Costs and Stable Incomes

The purpose of this analysis is to provide the City Manager and Council with information regarding the status and adequacy of the affordable housing demolition tax and the inclusionary zoning fee-in-lieu as sources of revenue for the Affordable Housing Trust Fund (HTF). As a built-out community Highland Park offers relatively few development opportunities. Having adequate resources in the HTF is essential to the ability of the Housing Commission to act when an opportunity presents itself. The HTF is the most critical, accessible, and flexible source of funds to write down the cost of development and is instrumental for the Housing Commission and the Community Land Trust to leverage other sources of funding, including Lake County's Affordable Housing Program, the HOME program, the Illinois Housing Development Authority, and the Federal Home Loan Bank. Furthermore, at some future date, other sources of project subsidy might not be available, and at such time, having an adequate housing trust fund will be more critical if the City wants to continue its housing programs.

Between 2002 and 2007, the median sales price for all housing units sold in Highland Park increased from \$430,000 to \$600,000. This represents an increase of 39.5% in the cost of for-sale housing. In contrast, during this same period, Chicago area median income for a household of four remained constant at \$75,400.¹ Consequently, the purchasing power of low and moderate income households seeking housing in Highland Park has been considerably reduced during the five year period from 2003 – 2007. The widening affordability gap in Highland Park is a reminder of the ongoing need for the programs initiated by the Housing Commission and

¹ Department of Housing and Urban Development.

implemented by the City Council, making it now a particularly important time to preserve and ensure on-going funding of the HTF.

Revenue Sources for the Housing Trust Fund

There are multiple sources of local revenue that support the HTF. In June 2002, the City established the HTF and the \$10,000 Affordable Housing Demolition Tax². In addition to the demolition tax, demolition permit fees were increased to \$500 as another revenue source for the HTF. On occasion, the City has also deposited the proceeds of the sale of excess bond capacity into the Housing Trust Fund. Since its inception, grant revenues and distributions from the HTF have exceeded \$4.6 million and \$3.5 million, respectively³. HTF expenditures include development and operating grant distributions to the Highland Park Illinois Community Land Trust, expenditures to support the Housing Planner position and the land purchase of 500 Hyacinth.

Another source of HTF revenues are fees-in-lieu of construction from the City's inclusionary zoning ordinance. Highland Park's inclusionary zoning ordinance requires that 20 percent of the units in developments with a residential component of 5 or more units be set aside as affordable. Recognizing that it may not be economically feasible or practical from a land use perspective to provide affordable units in single-family developments of fewer than 20 units, the ordinance allows developers of such projects a by-right option to make cash payment in lieu of some or all of the required affordable units. The purpose of the fee-in-lieu is to provide a sufficient monetary contribution so that the City or its designee can purchase and create a permanently affordable housing unit. Thus, by design, the fee-in-lieu is intended to be equivalent to the cost of creating an affordable housing unit. Fee-in-lieu payments are deposited in the HTF.

The City's inclusionary ordinance provides that the "per unit [cash] amount shall be based on an estimate of the cost of providing an affordable housing unit." The current cash-in-lieu payment amount of \$100,000 per unit was approved by the City Council in August 2003 at the time the inclusionary ordinance was adopted.⁴ The ordinance provides that the City Council will review and modify the per unit cash amount periodically. Since 2003, home values have continued to increase at a faster rate than incomes, which have essentially remained flat. As a result, there is a concern that the current cash payment per unit amount is insufficient and should be increased to reflect more closely the cost of making a market rate unit affordable to the target population. Accordingly, City staff asked Business and Professional People for the Public Interest (BPI) to analyze the Multiple Listing Service (MLS) data for 2007 so that the Housing Commission can make a recommendation for revising the cash payment amount.

² A subsequent amendment by the City Council amended the Demolition Tax to allocate one-third to the City Road and Bridge Fund and retained the two-thirds balance of the tax for the HTF. The Commission understands that the purpose of the proposed reallocation is to offset the impact of residential teardowns on the City's streets.

³ The total revenue of \$4.6 million includes a \$ 1million seed contribution by the Frank B. Peers Housing Association derived from the proceeds of a refinancing of the Peers building.

⁴ The ordinance provides that in determining the total amount of the cash in-lieu payment, the per unit payment amount shall be applied to 20 percent of the total number of units in the covered development. If a fraction occurs in the calculation, the fraction shall not be rounded up or down. Thus, the payment amount will be graduated based on the number of units in the proposed development.

Methodology

The original criteria employed by the Housing Commission for establishing an appropriate cash payment amount were as follows:

- Pursuant to the proposed ordinance, the amount should relate to the cost of making a unit of market rate housing affordable to households at the target income level
- The amount should be meaningful but reasonable so as not to impose an inappropriate burden on developers/landowners
- The methodology should be simple, easy to communicate and understand, and based on objective data and/or verifiable assumptions

Pursuant to this criteria, the Housing Commission used a methodology for determining the per unit amount based on the MLS data on housing sales in Highland Park for the previous calendar year and assumptions about the sales price of a home that would be affordable to individuals and families who live or work in the community. BPI has used the same methodology in this analysis:

1. The analysis includes all home sales – single family detached, condominiums and town homes – because the combined market most accurately reflects the units available to the target population.
2. The analysis of MLS data examines sales prices in various segments of the lower half of the market, as more modestly priced units are more accessible to families with modest incomes.
3. The benchmark selected for affordability is the price that a 4-person household at 80% of the Chicago Area Median Income (AMI) can afford.

The total number of units sold in Highland Park in 2007 was 357. Single-family detached homes comprised 76% of the total sales, while condominiums and town homes comprised 24%. Approximately 8% of the sales were newly constructed homes.

The following table illustrates several alternatives for establishing a base per unit cash amount based on an analysis of different segments of the bottom half of the market for all sales.

Price Variable	Market Sales Price 2007	Per Unit Fee Amount (based on affordable price of \$178,800)⁵
Median price	\$600,000	\$421,200
Top price in lowest third	\$475,000	\$296,200
Top price in lowest quartile	\$421,000	\$242,200
Top price in lowest quintile	\$390,000	\$211,200
Top price in lowest sixth	\$374,500	\$195,700

⁵ For purposes of this analysis, the affordable sales price for a family of 4 at 80% AMI is based on three times the household income. Household income is based on 80% of the Chicago AMI, as determined by HUD.

In adopting the initial cash-in-lieu payment amount, the City Council, following the recommendation of the Housing Commission (based on its review of 2002 MLS data), determined that for fiscal year 2003-2004 the cash payment amount should be related to the top sales price of the lowest sixth of the market. **If the City Council again determines that the cash payment should be related to the top sales price of the lowest sixth of the market, the per unit amount would be \$195,000 (rounded to the nearest \$5,000 increment).** This represents a cost to the development of \$39,000 per unit when spread over the total number of units to be developed, as illustrated in the following table:

Cash Payment Amount Applied to Developments of 5 to 19 Units

Total # Units	# Units x 20% Set-Aside Requirement	Total Cash Payment Amount (\$39,000 per unit)
5	1	\$195,000
6	1.2	\$234,000
7	1.4	\$273,000
8	1.6	\$312,000
9	1.8	\$351,000
10	2	\$390,000
11	2.2	\$429,000
12	2.4	\$468,000
13	2.6	\$507,000
14	2.8	\$546,000
15	3	\$585,000
16	3.2	\$624,000
17	3.4	\$663,000
18	3.6	\$702,000
19	3.8	\$741,000

Other Approaches

Another method for determining an appropriate in-lieu cash amount, now that Highland Park has some history with developed affordable units, or for testing the extent to which the above options are realistic, is to analyze recent affordable housing development in Highland Park (e.g., Temple Avenue, Hyacinth Place, Single-Family Homeownership Pilot Program, Highland Park Illinois Community Land Trust (HPICLT) scattered site program) to determine the average total amount of subsidy per unit needed in each of the last few years to provide an affordable unit. The following table contains this analysis.

	Project	Year	Total Average Subsidy/Unit (rounded to nearest \$1,000) ⁶	City of HP Average Subsidy/Unit (rounded to nearest \$1,000) ⁷	City Average Subsidy as % of Total Subsidy/Unit	
A. Condominium Project – Rehab						
	1 Unit	2003	\$40,000	\$25,000	63%	
	1 Unit	2008	\$88,000	\$35,000	40%	
	Per Unit Average – Condos		\$64,000	\$30,000	47%	
B. Pilot Program						
	2 SFD Units	2003	\$54,000	\$39,000	72%	
C. Temple Avenue Townhomes – New Construction						
	6 units	2004	\$94,000	\$56,000	59%	
		- 2005				
D. Community Land Trust Scattered Site Program – Rehab						
	2 SFD Units	2005	\$185,000	\$161,000	87%	
E. Community Land Trust Scattered Site Program – Rehab						
	2 SFD Units	2006	\$187,000	\$132,000	71%	
		- 2007				
F. 500 Hyacinth Development – New Construction						
	14 Units	2008	\$245,000	\$143,000	58%	
	26 Total Units		\$4,914,000	\$3,002,000	62%	
A	Per Unit Average –		\$189,000	\$115,500	62%	
-	Single Family					
F	Detached and New					
	Construction					
D	Per Unit Average –		232,000	\$144,000	63%	
-	Units					
F	Completed/Developed					
	2005-2008					

⁶ Total subsidy includes funds from the Highland Park Trust Fund and sources including but not limited to the Illinois Housing Development Authority, Lake County, the Federal Home Loan Bank.

⁷ The City and Total subsidy for the Hyacinth project includes the cost of the land and the value of fee and permit waivers.

The table illustrates that the amount of subsidy necessary to create an affordable unit has steadily increased since the first pilot program properties were purchased in 2003. As you will recall, the pilot program, the precursor to HPICLT, purchased existing homes, rehabbed them and sold them at a subsidized price. At the time of the pilot program, the low end of the housing market in Highland Park was much lower than it is today. As has been demonstrated, the lowest priced homes in Highland Park have increased in price and there are fewer of them to choose from. The average per unit subsidy for single family detached units in 2003 was \$54,000 and in 2006/2007 that subsidy had increased to \$187,000. For new affordable construction, the increase was from \$94,000 per unit for the six units at the Temple Avenue Townhouses to \$245,000 per unit for the 14 units at Hyacinth Place. The trend in both the total amount of subsidy and the City portion of total subsidy necessary to create an affordable unit is clearly increasing.

For making a comparison fee-in-lieu recommendation based on historical data of the amount of subsidy necessary to secure an affordable housing unit, it seems that the five year average is not particularly relevant. A more apt and accurate point of comparison would be the last two HPICLT scattered site units and the units at 500 Hyacinth as they tend to reflect the current cost parameters for residential projects. A review of the 2005-2008 projects finds that the range of total subsidy necessary is between \$185,000 and \$245,000 per unit. The mid-point of these subsidy figures is \$215,000, and the average subsidy amount per unit is \$239,000. With this subsidy approach it is important to consider that the relevant figure is the total subsidy amount, not the Highland Park subsidy amount, as the fee-in-lieu is intended to provide the cash equivalent to the provision of an affordable unit. There may be no other sources of revenue available to procure an affordable unit but for the fee-in-lieu payment made by a project developer.

The mid-point subsidy value of \$215,000 serves as a positive check against the first methodology which identified a potential fee-in-lieu of \$195,000 based on the top price in the lowest sixth of the market.

Affordable Housing Demolition Tax

The \$10,000 demolition tax was established at a time when the City of Highland Park was averaging more than 50 teardowns per year. The tax amount was determined based on a goal of raising approximately \$500,000 annually. At that time this represented the amount sufficient to create between 5 and 10 permanently affordable housing units, based on a cost range of \$50,000 to \$100,000 per unit.

The demolition tax does not appear to have had a demonstrable impact on the number of demolitions occurring in Highland Park. Following implementation of the demolition tax, the number of demolitions per year increased from 2004 through 2006. Only in 2007 and 2008 has the number of annual demolitions decreased, and this is likely due to the general downturn in the real estate market. In 2003, the demolition tax represented less than 1% of the median sale price of a new single family dwelling in Highland Park.⁸ The HTF revenue from the Demolition Tax and the number of demolitions since the establishment of the tax are as follows:

⁸ The 2002 median sale price of a new single family detached dwelling unit was \$1.12 million (source: Multiple Listing Service).

-	FY 2003:	\$223,000 (23) (partial year)
-	FY 2004:	\$570,000 (57)
-	FY 2005:	\$730,000 (73)
-	FY 2006:	\$852,000 (86)
-	FY 2007:	\$466,690 (70) (first year of shared Demolition Tax revenues)
-	FY 2008:	\$166,675 (25) (5-1-07 to 12-31-08)

Since the establishment of the demolition tax, the revenue amount being directed to the HTF has been reduced by one-third. Based on the information provided herein, to create an affordable housing unit, the subsidy cost is approximately \$190,000. Consequently, to create five permanently affordable units from demolition tax revenues would require approximately \$950,000, annually. **Assuming, again, an average of 50 demolitions/year, the affordable housing component of the demolition tax would need to be approximately \$19,000, in order to raise \$950,000. Considering that the demolition tax will also be incorporating revenues for the Road and Bridge fund, the total demolition tax would be \$28,500 per unit. Should the Commission want to recommend that the HTF share of the demolition tax be increased back to \$10,000, then by including Road and Bridge fund allocation, the total demolition tax would need to be increased to \$15,000.**

Recommendation:

The Housing Commission determined that inclusionary zoning fee-in-lieu and the demolition tax should be increased so as to insure continuing funding for and the viability of the Housing Trust Fund. **The Commission recommendation is to increase the inclusionary zoning fee-in-lieu to \$200,000 and to increase the Demolition Tax to \$25,000 in increments of \$5,000 over each of the next three years.**

FRANK B. PEERS HOUSING
Balance Sheet
Month Ending 12/31/10

ASSETS

Current Assets	
1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	12,834.46
1130-0000 - Tenant/member accounts receivable	13,000.00
1131-0000 - Accounts receivable - subsidy	51,044.00
1240-0000 - Prepaid property and liability insurance	8,216.76
Total Current Assets	<u>85,395.22</u>
Other Assets	
1290-0000 - Misc Prepaid Expenses	594.25
1192-0000 - Tenant Sec Dep	18,556.50
1310-0000 - Real estate tax escrow	101,275.16
1311-0000 - Insurance escrow	20,340.23
1330-0000 - Debt Service Escrow	138,988.49
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	126,170.96
1340 - Residual Receipt	13.71
Total Other Assets	<u>409,223.66</u>
Fixed Assets	
1420-0000 - Building	1,848,860.15
1430-0000 - Land Improvements	1,619,406.39
1450-0000 - Furniture for project/tenant use	459,487.29
4120-0000 - Accum depr - buildings	(2,688,629.27)
1498-0000 - Current F/A	176,524.15
Total Fixed Assets	<u>1,415,648.71</u>
Financing Costs	
1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(33,348.94)
Total Financing Costs	<u>159,049.91</u>
Partnership Assets	
1701-0000 - Cash - Partnership	87,399.77
1702-0000 - Partnership MM	1,919,365.07
1702-1000 - Partnership F/A	221,340.23
1703-0000 - Partnership Receivable	394,848.79
Total Partnership Assets	<u>2,622,953.86</u>
Total Assets	<u><u>4,692,271.36</u></u>

FRANK B. PEERS HOUSING
Balance Sheet
Month Ending 12/31/10

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	18,106.02
2113-0000 - Flex Benefit Payable	(0.01)
2120-0000 - Accrued wages and p/r taxes payable	2,658.23
2150-0000 - Accrued property taxes	84,000.28
2180-0000 - Misc current liabilities	10,894.73
Total Current Liabilities	<u>115,659.25</u>

Non-Current Liabilities

2191-0000 - Security deposits-residential	17,258.00
2191-0001 - Pet Deposit	250.00
2210-0000 - Prepaid Rent	4,455.94
2211-0000 - Prepaid HUD	22,168.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	2,111,190.69
Total Non-Current Liabilities	<u>4,445,322.63</u>

Partnership Liabilities

2901-0000 - Partnership Payable	150.00
Total Partnership Liabilities	<u>150.00</u>

Owner's Equity

3100-0000 - Limited Partners Equity	2,543,703.76
3111-0000 - Contributions - Current Year	88,434.79
3209-0000 - Prior Year Retained Earnings	(2,894,800.46)
3210-0000 - Retained earnings	304,931.73
Current YTD Earnings	88,869.66
Total Owner's Equity	<u>131,139.48</u>

Total Liability & Owner Equity

4,692,271.36

FRANK B. PEERS HOUSING

Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	19,952.00	17,500.00	2,452.00	214,376.00	210,000.00	4,376.00	210,000.00
5121-0000 - Tenant assistant payments	61,048.00	62,232.00	(1,184.00)	757,624.00	746,784.00	10,840.00	746,784.00
5140-0000 - Commercial base rent	120.00	60.00	60.00	1,179.04	720.00	459.04	720.00
TOTAL RESIDENTIAL RENTAL INCOME	81,120.00	79,792.00	1,328.00	973,179.04	957,504.00	15,675.04	957,504.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(3,564.00)	(1,300.00)	(2,264.00)	(12,639.00)	(15,600.00)	2,961.00	(15,600.00)
5221-0000 - Non-Revenue Units	(1,175.00)	(1,285.00)	110.00	(14,100.00)	(15,008.00)	908.00	(15,008.00)
TOTAL VACANCIES & ADJUSTMENTS	(4,739.00)	(2,585.00)	(2,154.00)	(26,739.00)	(30,608.00)	3,869.00	(30,608.00)
OTHER INCOME							
5910-0000 - Laundry income	0.00	220.00	(220.00)	2,300.75	2,640.00	(339.25)	2,640.00
5990-0000 - Misc other income	5,988.83	0.00	5,988.83	5,988.83	0.00	5,988.83	0.00
5411-0000 - Grant Monies Income	0.00	0.00	0.00	45,707.50	0.00	45,707.50	0.00
5413-0000 - Interest income - escrow	640.96	500.00	140.96	2,645.10	2,000.00	645.10	2,000.00
TOTAL OTHER INCOME	6,629.79	720.00	5,909.79	56,642.18	4,640.00	52,002.18	4,640.00
GROSS OPERATING INCOME	83,010.79	77,927.00	5,083.79	1,003,082.22	931,536.00	71,546.22	931,536.00
ADVERTISING & RENTING EXPENSE							
6211-0000 - Marketing/Promotions	0.00	50.00	50.00	0.00	600.00	600.00	600.00
6250-0000 - Renting expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6253-0000 - Credit Report Fees	14.00	25.00	11.00	14.00	300.00	286.00	300.00
TOTAL ADVERTISING & RENTING EXPENSE	14.00	75.00	61.00	14.00	900.00	886.00	900.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	680.95	500.00	(180.95)	3,064.82	6,000.00	2,935.18	6,000.00
6316-0000 - Office Equipment	952.48	235.00	(717.48)	3,944.08	2,820.00	(1,124.08)	2,820.00
6320-0000 - Management fee	3,697.85	3,780.00	82.15	46,160.25	45,360.00	(800.25)	45,360.00
6340-0000 - Legal Expense - Project	0.00	200.00	200.00	1,535.60	2,400.00	864.40	2,400.00
6350-0000 - Audit Expense	0.00	0.00	0.00	12,050.00	10,500.00	(1,550.00)	10,500.00
6360-0000 - Telephone	1,192.07	1,160.00	(32.07)	8,405.41	13,920.00	5,514.59	13,920.00
6360-0001 - Answering Service/ Pagers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6365-0000 - Training & Education Expense	0.00	100.00	100.00	0.00	1,200.00	1,200.00	1,200.00
6370-0000 - Bad debts	0.00	0.00	0.00	340.00	2,000.00	1,660.00	2,000.00
6371-0000 - Fees Dues & Contributions	0.00	0.00	0.00	0.00	300.00	300.00	300.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	1,000.00	4,000.00	3,000.00	4,000.00
6385-0000 - Temporary Help	106.52	0.00	(106.52)	536.18	0.00	(536.18)	0.00
6390-0000 - Misc administrative expenses	310.18	100.00	(210.18)	1,035.56	1,200.00	164.44	1,200.00
6390-0002 - Computer Supplies/Data Processing	126.63	360.00	233.37	1,511.00	4,320.00	2,809.00	4,320.00
6395-0000 - Tenant Retention	584.18	625.00	40.82	5,965.65	7,500.00	1,534.35	7,500.00
6431-0000 - Travel & Expense Reimbursement	1,018.57	300.00	(718.57)	4,518.16	3,600.00	(918.16)	3,600.00
6860-0000 - Security Deposit Interest	(3.15)	0.00	3.15	(113.89)	0.00	113.89	0.00
TOTAL ADMINISTRATIVE EXPENSE	8,666.28	7,360.00	(1,306.28)	89,952.82	105,120.00	15,167.18	105,120.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	6,532.17	4,821.00	(1,711.17)	57,033.31	57,410.00	376.69	57,410.00
6510-0000 - Janitor and cleaning payroll	1,788.60	1,265.00	(523.60)	14,822.97	14,498.00	(324.97)	14,498.00

FRANK B. PEERS HOUSING

Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6540-0000 - Repairs payroll	6,874.64	3,910.00	(2,964.64)	52,581.05	44,830.00	(7,751.05)	44,830.00
6900-0000 - Social Service Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6715-0000 - Payroll Taxes	974.64	784.00	(190.64)	11,383.19	9,408.00	(1,975.19)	9,408.00
6722-0000 - Workers compensation	242.33	150.00	(92.33)	5,610.50	1,800.00	(3,810.50)	1,800.00
6723-0000 - Employee health insurance	220.02	317.00	96.98	3,916.36	3,804.00	(112.36)	3,804.00
6724-0000 - Union Benefits	1,189.76	1,083.00	(106.76)	14,388.92	12,996.00	(1,392.92)	12,996.00
6726-0000 - Other employee benefits	85.83	0.00	(85.83)	0.00	0.00	0.00	0.00
6726-0001 - Contingency	0.00	0.00	0.00	2,094.25	2,200.00	105.75	2,200.00
TOTAL PAYROLL & RELATED COSTS	17,907.99	12,330.00	(5,577.99)	161,830.55	146,946.00	(14,884.55)	146,946.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	451.21	320.00	(131.21)	2,744.16	3,840.00	1,095.84	3,840.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	700.00	700.00	700.00
6519-0000 - Exterminating Contract	0.00	124.00	124.00	1,290.00	1,400.00	110.00	1,400.00
6520-0000 - Miscellaneous Repair Contractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6525-0000 - Rubbish removal	770.45	510.00	(260.45)	4,390.88	5,240.00	849.12	5,240.00
6530-0000 - Security Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6490-0000 - Misc operating expenses	126.89	50.00	(76.89)	451.06	600.00	148.94	600.00
TOTAL OPERATING EXPENSES	1,348.55	1,004.00	(344.55)	8,876.10	11,780.00	2,903.90	11,780.00
UTILITIES							
6450-0000 - Electricity	299.41	1,900.00	1,600.59	16,954.94	22,800.00	5,845.06	22,800.00
6451-0000 - Water	1,138.00	811.00	(327.00)	10,055.88	9,732.00	(323.88)	9,732.00
6452-0000 - Gas	3,189.29	7,000.00	3,810.71	29,563.70	45,000.00	15,436.30	45,000.00
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL UTILITIES	4,626.70	9,711.00	5,084.30	56,574.52	77,532.00	20,957.48	77,532.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	0.00	0.00	499.49	8,500.00	8,000.51	8,500.00
6537-0000 - Grounds Contractor (Landscaper)	565.00	0.00	(565.00)	9,430.20	7,200.00	(2,230.20)	7,200.00
6541-0000 - Repair materials (general supplies)	646.96	600.00	(46.96)	7,635.01	7,200.00	(435.01)	7,200.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	600.00	600.00	600.00
6541-0002 - Plumbing Supplies	167.43	0.00	(167.43)	783.16	0.00	(783.16)	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	237.33	0.00	(237.33)	0.00
6541-0004 - Heating/Cooling Supplies	204.87	0.00	(204.87)	352.07	0.00	(352.07)	0.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	361.00	426.00	65.00	5,772.00	5,112.00	(660.00)	5,112.00
6546-0000 - Heating/Cooling Contractor	1,964.45	300.00	(1,664.45)	10,040.84	5,900.00	(4,140.84)	5,900.00
6548-0000 - Snow removal	2,151.00	1,500.00	(651.00)	7,480.90	7,000.00	(480.90)	7,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	1,532.50	1,200.00	(332.50)	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	4,357.00	400.00	(3,957.00)	11,822.00	11,300.00	(522.00)	11,300.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	295.51	500.00	204.49	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	1,010.00	1,400.00	390.00	1,400.00
6582-0000 - Fire Protection	0.00	200.00	200.00	2,816.97	2,400.00	(416.97)	2,400.00
6582-0001 - Fire Safety Equipment	0.00	50.00	50.00	0.00	600.00	600.00	600.00
6589-0000 - Parking Lot Expense	0.00	0.00	0.00	0.00	8,000.00	8,000.00	8,000.00
6590-0000 - Miscellaneous Repair	0.00	100.00	100.00	721.45	1,200.00	478.55	1,200.00
6591-0000 - Electrical Repairs	0.00	150.00	150.00	5,456.59	1,800.00	(3,656.59)	1,800.00
6592-0000 - Boiler Repairs	0.00	0.00	0.00	615.00	1,000.00	385.00	1,000.00
6594-0000 - Carpentry Repairs	92.50	100.00	7.50	916.74	1,200.00	283.26	1,200.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6595-0000 - Plumbing Repairs	0.00	600.00	600.00	7,617.19	7,200.00	(417.19)	7,200.00
6596-0000 - Floor Repairs/Cleaning	945.00	100.00	(845.00)	2,565.00	1,200.00	(1,365.00)	1,200.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	2,640.11	3,000.00	359.89	3,000.00
6599-0000 - Window repairs	0.00	0.00	0.00	5,444.00	9,000.00	3,556.00	9,000.00
TOTAL MAINTENANCE EXPENSES	11,455.21	4,676.00	(6,779.21)	85,684.06	92,512.00	6,827.94	92,512.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	7,185.00	7,185.00	0.00	86,220.00	86,220.00	0.00	86,220.00
6720-0000 - Property and liability insurance	1,477.08	1,500.00	22.92	17,081.12	17,748.00	666.88	17,748.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	93.21	116.00	22.79	116.00
TOTAL TAXES AND INSURANCE	8,662.08	8,685.00	22.92	103,394.33	104,084.00	689.67	104,084.00
TOTAL OPERATING EXPENSES	52,680.81	43,841.00	(8,839.81)	506,326.38	538,874.00	32,547.62	538,874.00
NET OPERATING INCOME (LOSS)	30,329.98	34,086.00	(3,756.02)	496,755.84	392,662.00	104,093.84	392,662.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	21,456.75	22,057.00	600.25	260,355.54	264,684.00	4,328.46	264,684.00
7104-0000 - Replacement Reserve	1,800.00	1,800.00	0.00	21,600.00	21,600.00	0.00	21,600.00
7108-0000 - Mortgage Payable (long term)	9,030.79	8,430.00	(600.79)	105,494.94	101,160.00	(4,334.94)	101,160.00
TOTAL FINANCIAL EXPENSES	32,287.54	32,287.00	(0.54)	387,450.48	387,444.00	(6.48)	387,444.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(1,957.56)	1,799.00	(3,756.56)	109,305.36	5,218.00	104,087.36	5,218.00
NET INCOME (LOSS)	(1,957.56)	1,799.00	(3,756.56)	109,305.36	5,218.00	104,087.36	5,218.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	80,116.43	0.00	80,116.43	87,619.10	0.00	87,619.10	0.00
8010-0000 - Other Entity Expense	(120.00)	0.00	(120.00)	(8,370.00)	0.00	(8,370.00)	0.00
Total Partnership Activity	79,996.43	0.00	79,996.43	79,249.10	0.00	79,249.10	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	(21,600.00)	(21,600.00)	(21,600.00)
7107-0000 - Residual Receipt Reserve Reimbursement	0.00	0.00	0.00	0.00	(112,050.00)	(112,050.00)	(112,050.00)
6991-0000 - Capital expenditures	12,422.00	0.00	(12,422.00)	161,081.76	110,840.00	(50,241.76)	110,840.00
6993-0000 - Appliance Replacement	0.00	150.00	150.00	1,522.00	1,800.00	278.00	1,800.00
6994-0000 - Carpet & tile	6,266.00	510.00	(5,756.00)	13,920.39	21,010.00	7,089.61	21,010.00
6995-0000 - Draperies and Blinds	0.00	100.00	100.00	0.00	1,200.00	1,200.00	1,200.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	18,688.00	760.00	(17,928.00)	176,524.15	1,200.00	(175,324.15)	1,200.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	59,350.87	1,039.00	58,311.87	12,030.31	4,018.00	8,012.31	4,018.00

WALNUT PLACE
Balance Sheet
 Month Ending 12/31/10

ASSETS

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	4,152.29
1130-0000 - Tenant/member accounts receivable	39,475.53
1131-0000 - Accounts receivable - subsidy	63,983.00
1240-0000 - Prepaid property and liability insurance	7,144.98
Total Current Assets	<u>115,655.80</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	593.98
1192-0000 - Tenant Sec Dep	20,301.23
1310-0000 - Real estate tax escrow	131,523.49
1311-0000 - Insurance escrow	26,037.86
1330-0000 - Debt Service Escrow	136,428.21
1140-0000 - Accounts Receivable - Other	3,458.28
1320 - Replacement Reserve	117,777.93
1340 - Residual Receipt	27,042.33
Total Other Assets	<u>463,163.31</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,763,975.85
1430-0000 - Land Improvements	396,727.57
1450-0000 - Furniture for project/tenant use	410,255.92
4120-0000 - Accum depr - buildings	(3,167,123.29)
1498-0000 - Current F/A	86,496.84
Total Fixed Assets	<u>710,332.89</u>

Financing Costs

1800-0000 - Organization costs	5,000.00
1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(34,952.35)
Total Financing Costs	<u>144,860.68</u>

Partnership Assets

1701-0000 - Cash - Partnership	104,177.32
Total Partnership Assets	<u>104,177.32</u>

Total Assets

1,538,190.00

WALNUT PLACE
Balance Sheet
Month Ending 12/31/10

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	29,517.17
2120-0000 - Accrued wages and p/r taxes payable	2,657.81
2150-0000 - Accrued property taxes	106,121.87
2155-0000 - Accrued professional services	7,357.00
2180-0000 - Misc current liabilities	20,649.40

Total Current Liabilities

166,303.25

Non-Current Liabilities

2191-0000 - Security deposits-residential	18,173.00
2191-0001 - Pet Deposit	300.00
2210-0000 - Prepaid Rent	6,033.44
2211-0000 - Prepaid HUD	32,366.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-0000 - Mortgage Payable (long term)	2,191,914.85

Total Non-Current Liabilities

4,794,786.29

Owner's Equity

3100-0000 - Limited Partners Equity	103,164.14
3209-0000 - Prior Year Retained Earnings	(3,820,364.55)
3210-0000 - Retained earnings	278,089.65
Current YTD Earnings	16,211.22

Total Owner's Equity

(3,422,899.54)**Total Liability & Owner Equity****1,538,190.00**

WALNUT PLACE Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6715-0000 - Payroll Taxes	974.47	784.00	(190.47)	11,381.29	9,408.00	(1,973.29)	9,408.00
6722-0000 - Workers compensation	242.33	150.00	(92.33)	2,971.16	1,800.00	(1,171.16)	1,800.00
6723-0000 - Employee health insurance	309.82	317.00	7.18	4,029.47	3,804.00	(225.47)	3,804.00
6724-0000 - Union Benefits	1,189.76	1,083.00	(106.76)	14,270.13	12,996.00	(1,274.13)	12,996.00
6726-0000 - Other employee benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6726-0001 - Contingency	0.00	0.00	0.00	2,094.25	2,200.00	105.75	2,200.00
TOTAL PAYROLL & RELATED COSTS	17,909.39	12,330.00	(5,579.39)	160,179.98	146,946.00	(13,233.98)	146,946.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	51.78	174.00	122.22	2,106.38	2,000.00	(106.38)	2,000.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	700.00	700.00	700.00
6519-0000 - Exterminating Contract	0.00	124.00	124.00	1,020.00	1,400.00	380.00	1,400.00
6520-0000 - Miscellaneous Repair Contractors	0.00	150.00	150.00	0.00	1,800.00	1,800.00	1,800.00
6525-0000 - Rubbish removal	770.45	564.00	(206.45)	3,930.50	5,968.00	2,037.50	5,968.00
6490-0000 - Misc operating expenses	287.00	50.00	(237.00)	611.17	600.00	(11.17)	600.00
TOTAL OPERATING EXPENSES	1,109.23	1,062.00	(47.23)	7,668.05	12,468.00	4,799.95	12,468.00
UTILITIES							
6450-0000 - Electricity	339.25	1,850.00	1,510.75	12,599.62	22,200.00	9,600.38	22,200.00
6451-0000 - Water	(4.82)	590.00	594.82	6,160.11	7,080.00	919.89	7,080.00
6452-0000 - Gas	1,352.55	7,000.00	5,647.45	25,990.25	45,000.00	19,009.75	45,000.00
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL UTILITIES	1,686.98	9,440.00	7,753.02	44,749.98	74,280.00	29,530.02	74,280.00
MAINTENANCE EXPENSES							
6531-0000 - Security equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6536-0000 - Ground supplies	0.00	0.00	0.00	0.00	8,500.00	8,500.00	8,500.00
6537-0000 - Grounds Contractor (Landscaper)	608.00	0.00	(608.00)	7,403.00	5,400.00	(2,003.00)	5,400.00
6541-0000 - Repair materials (general supplies)	782.16	500.00	(282.16)	5,008.69	6,000.00	991.31	6,000.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	600.00	600.00	600.00
6541-0002 - Plumbing Supplies	0.00	0.00	0.00	1,142.83	0.00	(1,142.83)	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	114.08	0.00	(114.08)	0.00
6541-0004 - Heating/Cooling Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0010 - Carpentry/Hardware	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	360.00	443.00	83.00	5,534.00	5,316.00	(218.00)	5,316.00
6546-0000 - Heating/Cooling Contractor	184.00	837.00	653.00	3,681.83	10,000.00	6,318.17	10,000.00
6548-0000 - Snow removal	2,817.00	2,000.00	(817.00)	10,164.00	8,500.00	(1,664.00)	8,500.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	353.50	1,200.00	846.50	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	2,845.00	625.00	(2,220.00)	15,110.00	19,500.00	4,390.00	19,500.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	810.00	820.00	10.00	820.00
6582-0000 - Fire Protection	180.00	350.00	170.00	6,440.00	4,200.00	(2,240.00)	4,200.00
6582-0001 - Fire Safety Equipment	0.00	50.00	50.00	961.29	600.00	(361.29)	600.00
6590-0000 - Miscellaneous Repair	0.00	150.00	150.00	1,042.25	1,800.00	757.75	1,800.00
6591-0000 - Electrical Repairs	0.00	150.00	150.00	6,000.01	1,800.00	(4,200.01)	1,800.00
6592-0000 - Boiler Repairs	0.00	0.00	0.00	0.00	5,100.00	5,100.00	5,100.00
6594-0000 - Carpentry Repairs	(54.15)	100.00	154.15	4,576.33	6,100.00	1,523.67	6,100.00
6595-0000 - Plumbing Repairs	439.14	675.00	235.86	4,417.22	8,100.00	3,682.78	8,100.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6596-0000 - Floor Repairs/Cleaning	0.00	25.00	25.00	1,000.00	300.00	(700.00)	300.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	0.00	5,000.00	5,000.00	5,000.00
6599-0000 - Window repairs	0.00	300.00	300.00	3,212.07	3,600.00	387.93	3,600.00
TOTAL MAINTENANCE EXPENSES	8,161.15	6,355.00	(1,806.15)	76,971.10	102,936.00	25,964.90	102,936.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	8,683.00	8,683.00	0.00	104,196.00	104,196.00	0.00	104,196.00
6720-0000 - Property and liability insurance	1,298.45	1,400.00	101.55	14,873.00	15,978.00	1,105.00	15,978.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	101.54	116.00	14.46	116.00
TOTAL TAXES AND INSURANCE	9,981.45	10,083.00	101.55	119,170.54	120,290.00	1,119.46	120,290.00
TOTAL OPERATING EXPENSES	48,202.11	47,305.00	(897.11)	496,793.98	555,140.00	58,346.02	555,140.00
NET OPERATING INCOME (LOSS)	39,084.17	38,337.00	747.17	508,895.01	454,363.00	54,532.01	454,363.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	22,917.17	23,605.00	687.83	278,297.23	283,260.00	4,962.77	283,260.00
7104-0000 - Replacement Reserve	1,833.00	1,834.00	1.00	21,997.00	22,008.00	11.00	22,008.00
7108-0000 - Mortgage Payable (long term)	10,569.78	9,882.00	(687.78)	123,546.17	118,584.00	(4,962.17)	118,584.00
TOTAL FINANCIAL EXPENSES	35,319.95	35,321.00	1.05	423,840.40	423,852.00	11.60	423,852.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	3,764.22	3,016.00	748.22	85,054.61	30,511.00	54,543.61	30,511.00
NET INCOME (LOSS)	3,764.22	3,016.00	748.22	85,054.61	30,511.00	54,543.61	30,511.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	44.22	0.00	44.22	1,013.18	0.00	1,013.18	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Partnership Activity	44.22	0.00	44.22	1,013.18	0.00	1,013.18	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	(33,600.00)	(33,600.00)	(33,600.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	70,217.13	43,800.00	(26,417.13)	43,800.00
6993-0000 - Appliance Replacement	0.00	150.00	150.00	2,486.00	1,800.00	(686.00)	1,800.00
6994-0000 - Carpet & tile	2,097.80	628.00	(1,469.80)	13,793.71	12,108.00	(1,685.71)	12,108.00
6995-0000 - Draperies and Blinds	0.00	100.00	100.00	0.00	1,200.00	1,200.00	1,200.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	2,097.80	878.00	(1,219.80)	86,496.84	25,308.00	(61,188.84)	25,308.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	1,710.64	2,138.00	(427.36)	(429.05)	5,203.00	(5,632.05)	5,203.00

RAVINIA HOUSING
Balance Sheet
 Month Ending 12/31/10

ASSETS

Current Assets	
1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	49,954.94
1130-0000 - Tenant/member accounts receivable	36,162.85
1131-0000 - Accounts receivable - subsidy	31,866.00
1240-0000 - Prepaid property and liability insurance	2,500.74
1250-0000 - Prepaid Mortgage Insurance	690.48
Total Current Assets	<u>121,325.01</u>
Other Assets	
1290-0000 - Misc Prepaid Expenses	157.48
1192-0000 - Tenant Sec Dep	6,981.33
1310-0000 - Real estate tax escrow	22,209.40
1311-0000 - Insurance escrow	49,326.48
1312-0000 - Mortgage Insurance Escrow	4,039.02
1140-0000 - Accounts Receivable - Other	760.36
1320 - Replacement Reserve	41,941.52
1340 - Residual Receipt	444,559.56
Total Other Assets	<u>569,975.15</u>
Fixed Assets	
1420-0000 - Building	1,074,166.20
1421-0000 - Construction In Progress	1,950.00
1430-0000 - Land Improvements	257,240.66
1450-0000 - Furniture for project/tenant use	118,539.49
4120-0000 - Accum depr - buildings	(892,567.88)
1498-0000 - Current F/A	89,739.56
Total Fixed Assets	<u>649,068.03</u>
Financing Costs	
1800-0000 - Organization costs	41,848.00
1999-0000 - Accum Amort - Bond Costs	(27,025.14)
Total Financing Costs	<u>14,822.86</u>
Partnership Assets	
1701-0000 - Cash - Partnership	144,111.21
Total Partnership Assets	<u>144,111.21</u>
Total Assets	<u><u>1,499,302.26</u></u>

RAVINIA HOUSING
Balance Sheet
Month Ending 12/31/10

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	11,334.32
2120-0000 - Accrued wages and p/r taxes payable	542.05
2130-0000 - Accrued interest - mortgage	(33.08)
2150-0000 - Accrued property taxes	33,000.00
2180-0000 - Misc current liabilities	48,051.65
Total Current Liabilities	<u>92,894.94</u>

Non-Current Liabilities

2191-0000 - Security deposits-residential	6,655.00
2210-0000 - Prepaid Rent	4,874.35
2211-0000 - Prepaid HUD	24,746.26
2320-0000 - Mortgage Payable (long term)	753,862.65
Total Non-Current Liabilities	<u>790,138.26</u>

Owner's Equity

3100-0000 - Limited Partners Equity	142,032.74
3209-0000 - Prior Year Retained Earnings	364,830.76
3210-0000 - Retained earnings	92,257.91
Current YTD Earnings	17,147.65
Total Owner's Equity	<u>616,269.06</u>

Total Liability & Owner Equity**1,499,302.26**

RAVINIA HOUSING

Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	4,935.00	3,732.00	1,203.00	49,722.00	44,740.00	4,982.00	44,740.00
5121-0000 - Tenant assistant payments	23,744.00	24,947.00	(1,203.00)	294,426.00	299,408.00	(4,982.00)	299,408.00
5140-0000 - Commercial base rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL RESIDENTIAL RENTAL INCOME	28,679.00	28,679.00	0.00	344,148.00	344,148.00	0.00	344,148.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,612.00)	(500.00)	(1,112.00)	(3,796.00)	(6,000.00)	2,204.00	(6,000.00)
5123-0000 - Rent Concession	0.00	0.00	0.00	(492.00)	0.00	(492.00)	0.00
TOTAL VACANCIES & ADJUSTMENTS	(1,612.00)	(500.00)	(1,112.00)	(4,288.00)	(6,000.00)	1,712.00	(6,000.00)
OTHER INCOME							
5945-0000 - Damages	0.00	0.00	0.00	35.00	0.00	35.00	0.00
5990-0000 - Misc other income	7,125.00	0.00	7,125.00	7,125.00	0.00	7,125.00	0.00
5410-0000 - Interest Income Project Operations	0.00	6.00	(6.00)	0.00	50.00	(50.00)	50.00
5413-0000 - Interest income - escrow	0.01	87.00	(86.99)	23.84	1,000.00	(976.16)	1,000.00
TOTAL OTHER INCOME	7,125.01	93.00	7,032.01	7,183.84	1,050.00	6,133.84	1,050.00
GROSS OPERATING INCOME	34,192.01	28,272.00	5,920.01	347,043.84	339,198.00	7,845.84	339,198.00
ADVERTISING & RENTING EXPENSE							
6211-0000 - Marketing/Promotions	0.00	12.00	12.00	0.00	100.00	100.00	100.00
6250-0000 - Renting expenses	0.00	25.00	25.00	0.00	300.00	300.00	300.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	37.00	37.00	0.00	400.00	400.00	400.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	996.47	500.00	(496.47)	6,059.53	6,000.00	(59.53)	6,000.00
6316-0000 - Office Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6320-0000 - Management fee	524.06	962.00	437.94	11,570.44	11,500.00	(70.44)	11,500.00
6340-0000 - Legal Expense - Project	140.00	117.00	(23.00)	558.80	1,360.00	801.20	1,360.00
6350-0000 - Audit Expense	0.00	0.00	0.00	11,300.00	10,900.00	(400.00)	10,900.00
6360-0000 - Telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6360-0001 - Answering Service/ Pagers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6365-0000 - Training & Education Expense	0.00	38.00	38.00	0.00	500.00	500.00	500.00
6370-0000 - Bad debts	509.00	0.00	(509.00)	1,357.00	0.00	(1,357.00)	0.00
6380-0000 - Consulting/study costs	0.00	288.00	288.00	0.00	3,500.00	3,500.00	3,500.00
6385-0000 - Temporary Help	29.06	0.00	(29.06)	3,918.74	0.00	(3,918.74)	0.00
6390-0000 - Misc administrative expenses	556.94	163.00	(393.94)	3,327.86	2,000.00	(1,327.86)	2,000.00
6390-0002 - Computer Supplies/Data Processing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6395-0000 - Tenant Retention	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6431-0000 - Travel & Expense Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6860-0000 - Security Deposit Interest	(1.19)	0.00	1.19	(305.36)	0.00	305.36	0.00
TOTAL ADMINISTRATIVE EXPENSE	2,754.34	2,068.00	(686.34)	37,787.01	35,760.00	(2,027.01)	35,760.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	1,483.40	1,337.00	(146.40)	13,020.60	16,000.00	2,979.40	16,000.00
6510-0000 - Janitor and cleaning payroll	2,283.93	1,513.00	(770.93)	21,087.57	18,200.00	(2,887.57)	18,200.00
6715-0000 - Payroll Taxes	240.76	225.00	(15.76)	2,836.02	2,700.00	(136.02)	2,700.00
6722-0000 - Workers compensation	66.08	38.00	(28.08)	396.52	500.00	103.48	500.00

RAVINIA HOUSING Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6723-0000 - Employee health insurance	93.67	413.00	319.33	1,320.41	5,000.00	3,679.59	5,000.00
6724-0000 - Union Benefits	324.48	0.00	(324.48)	3,891.87	0.00	(3,891.87)	0.00
6726-0000 - Other employee benefits	8.36	0.00	(8.36)	0.00	0.00	7.85	0.00
6726-0001 - Contingency	0.00	0.00	0.00	511.50	0.00	(511.50)	0.00
TOTAL PAYROLL & RELATED COSTS	4,500.68	3,526.00	(974.68)	43,056.64	42,400.00	(656.64)	42,400.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	(114.04)	663.00	777.04	1,441.52	8,000.00	6,558.48	8,000.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6519-0000 - Exterminating Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6520-0000 - Miscellaneous Repair Contractors	(1,183.46)	6,480.00	7,663.46	40,226.55	77,716.00	37,489.45	77,716.00
6525-0000 - Rubbish removal	944.44	587.00	(357.44)	6,032.17	7,000.00	967.83	7,000.00
6490-0000 - Misc operating expenses	(1,033.80)	0.00	1,033.80	406.31	0.00	(406.31)	0.00
TOTAL OPERATING EXPENSES	(1,386.86)	7,730.00	9,116.86	48,106.55	92,716.00	44,609.45	92,716.00
UTILITIES							
6450-0000 - Electricity	372.09	212.00	(160.09)	2,719.92	2,500.00	(219.92)	2,500.00
6451-0000 - Water	(708.33)	87.00	795.33	(563.67)	1,000.00	1,563.67	1,000.00
6452-0000 - Gas	(708.16)	100.00	808.16	(708.16)	1,200.00	1,908.16	1,200.00
6453-0000 - Sewer	0.00	25.00	25.00	210.07	300.00	89.93	300.00
TOTAL UTILITIES	(1,044.40)	424.00	1,468.40	1,658.16	5,000.00	3,341.84	5,000.00
MAINTENANCE EXPENSES							
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0000 - Repair materials (general supplies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0002 - Plumbing Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0010 - Carpentry/Hardware	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6546-0000 - Heating/Cooling Contractor	(382.50)	413.00	795.50	727.00	5,000.00	4,273.00	5,000.00
6548-0000 - Snow removal	4,160.00	1,335.00	(2,825.00)	14,070.00	8,000.00	(6,070.00)	8,000.00
6549-0000 - Motor Vehicle Repair	0.00	38.00	38.00	0.00	500.00	500.00	500.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6590-0000 - Miscellaneous Repair	0.00	87.00	87.00	1,845.81	1,000.00	(845.81)	1,000.00
6591-0000 - Electrical Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6594-0000 - Carpentry Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6595-0000 - Plumbing Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6596-0000 - Floor Repairs/Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6599-0000 - Window repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL MAINTENANCE EXPENSES	3,777.50	1,873.00	(1,904.50)	16,642.81	14,500.00	(2,142.81)	14,500.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	3,500.00	3,500.00	0.00	30,709.10	42,000.00	11,290.90	42,000.00
6720-0000 - Property and liability insurance	443.69	450.00	6.31	5,191.42	5,400.00	208.58	5,400.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	33.50	0.00	(33.50)	0.00
TOTAL TAXES AND INSURANCE	3,943.69	3,950.00	6.31	35,934.02	47,400.00	11,465.98	47,400.00
TOTAL OPERATING EXPENSES	12,544.95	19,608.00	7,063.05	183,185.19	238,176.00	54,990.81	238,176.00
NET OPERATING INCOME (LOSS)	21,647.06	8,664.00	12,983.06	163,858.65	101,022.00	62,836.65	101,022.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 12/31/10			Year To Date 12/31/10			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	4,215.35	4,290.64	75.29	51,658.71	51,734.00	75.29	51,734.00
6850-0000 - Mortgage Service Fee	345.24	732.58	387.34	4,162.71	4,560.00	397.29	4,560.00
7104-0000 - Replacement Reserve	712.00	712.00	0.00	8,544.00	8,544.00	0.00	8,544.00
7108-0000 - Mortgage Payable (long term)	2,965.91	2,965.58	(0.33)	34,522.33	34,522.00	(0.33)	34,522.00
TOTAL FINANCIAL EXPENSES	<u>8,238.50</u>	<u>8,700.80</u>	<u>462.30</u>	<u>98,887.75</u>	<u>99,360.00</u>	<u>472.25</u>	<u>99,360.00</u>
NET OPER INC/(LOSS) BEFORE CAP. EXP.	13,408.56	(36.80)	13,445.36	64,970.90	1,662.00	63,308.90	1,662.00
NET INCOME (LOSS)	13,408.56	(36.80)	13,445.36	64,970.90	1,662.00	63,308.90	1,662.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	61.18	0.00	61.18	1,378.33	0.00	1,378.33	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	0.00	(10.00)	0.00
Total Partnership Activity	<u>61.18</u>	<u>0.00</u>	<u>61.18</u>	<u>1,368.33</u>	<u>0.00</u>	<u>1,368.33</u>	<u>0.00</u>
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	(75,237.00)	0.00	75,237.00	0.00
6991-0000 - Capital expenditures	(9,318.00)	0.00	9,318.00	85,357.36	0.00	(85,357.36)	0.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	3,130.00	0.00	(3,130.00)	0.00
6994-0000 - Carpet & tile	(2,380.30)	0.00	2,380.30	1,252.20	0.00	(1,252.20)	0.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	<u>(11,698.30)</u>	<u>0.00</u>	<u>11,698.30</u>	<u>14,502.56</u>	<u>0.00</u>	<u>(14,502.56)</u>	<u>0.00</u>
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	<u>25,168.04</u>	<u>(36.80)</u>	<u>25,204.84</u>	<u>51,836.67</u>	<u>1,662.00</u>	<u>50,174.67</u>	<u>1,662.00</u>

Highland Park Housing Commission													
Reserve Balances													
Date:							12/31/2010						
Account Name	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL							
Checking (Property)	12,834	4,152	49,955	10,378									
Security Deposit	18,557	20,301	6,981	10,402									
Replacement Reserve	126,171	117,778	41,942	0									
Residual Receipts	14	27,042	444,560	0									
Operating Reserve	0	0	0	18,986									
Association Money Market Checking		104,177	144,111	175,908									
Association Small Business Checking	87,400			12,564									
Association Receivable/(Liability)	394,849			-386,543									
Association CDs													
CD #1	502,378												
CD #2	503,167												
Association MaxSafe Money Market	913,822												
TOTAL	2,559,190	273,450	687,549	-158,305	1,025,841	4,387,725							
*Net income after deducting program costs and expenditures/obligations.													
Beginning Balance 01/01/2010													
2010 Revenue											\$1,281,527		
Demolition Tax											\$93,338		
Demolition Permit											\$12,000		
Interest											\$1,714		
Contributions/Donations/Other											\$0		
Proceeds of Ceding Volume Cap											\$0		
Annual Revenue To Date 2010											\$107,052		
2010 Program Costs -Housing Planner (\$28206), Scattered Site Grant (1245 Eastwood: \$65,000; 1733 Rosemary: \$16,105; 598 Barb											(\$134,526)		
Ending Balance as of 12-31-10											\$1,254,053		
Pending Obligations:													
Set aside of grant funds for Scattered Site Dev.											(\$161,512)		
Set aside of matching funds for Empl. Asst. Hsg.											(\$50,000)		
Housing Planner											(\$2,700)		
HPICLT Operating Grant for 2009											\$0	Removed \$45,000 obligation based on CPAH direction	
Emergency Housing Setaside											(\$10,000)		
Legal Fees											(\$4,000)		
Total Pending Obligations											(\$228,212)		
Estimated Net Housing Trust Fund											\$1,025,841		

Sunset Woods Housing
 Account Register
 For the Period From Dec 1, 2010 to Dec 31, 2010
 1101M13 - General Checking

Filter Criteria includes: Report order is by Date.

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			8,682.77
12/1/10	12/1/10	Deposit	Tenant	506.00		9,188.77
		Deposit	Tenant	307.00		9,495.77
		Deposit	Tenant	509.00		10,004.77
		Deposit	Tenant	537.00		10,541.77
		Deposit	Tenant	664.00		11,205.77
		Deposit	Tenant	289.00		11,494.77
		Deposit	Tenant	366.00		11,860.77
		Deposit	Tenant	614.00		12,474.77
12/2/10	1379	Withdrawal	Sunset Woods Condominium Assoc		3,793.83	8,680.94
12/3/10	dep.book	Other	dep.book order		41.05	8,639.89
12/6/10	12/7/10	Deposit	Tenant	54.00		8,693.89
		Deposit	Tenant	500.00		9,193.89
		Deposit	Tenant	360.00		9,553.89
		Deposit	Tenant	357.00		9,910.89
		Deposit	Tenant	670.00		10,580.89
		Deposit	Tenant	795.00		11,375.89
		Deposit	Tenant	252.00		11,627.89
		Deposit	Tenant	329.00		11,956.89
		Deposit	Tenant	559.00		12,515.89
12/15/10	1380	Withdrawal	Housing Opportunity Dev. Corp.		600.16	11,915.73
12/15/10	loan1012	Other	Harris Bank/auto pymt		3,037.89	8,877.84
12/20/10	12/23/10	Deposit	Tenant	835.00		9,712.84
		Deposit	Tenant	700.00		10,412.84
12/28/10	1381	Withdrawal	Housing Opportunity Dev. Corp.		35.06	10,377.78
			Total	9,203.00	7,507.99	

Sunset Woods Housing
Income Statement
Compared with Budget
For the Twelve Months Ending December 31, 2010

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	\$ 9,170.00	\$ 8,702.00	468.00	\$ 115,166.50	\$ 104,413.00	10,753.50
Late & NSF Fees	10.00	0.00	10.00	65.00	0.00	65.00
Interest Income Assn	74.67	0.00	74.67	1,722.44	0.00	1,722.44
Interest Income	2.84	0.00	2.84	43.55	0.00	43.55
Sale of Unit 104	0.00	0.00	0.00	127,500.00	0.00	127,500.00
Total Revenues	9,257.51	8,702.00	555.51	244,497.49	104,413.00	140,084.49
Cost of Sales						
Cost of Unit 104	0.00	0.00	0.00	134,532.98	0.00	134,532.98
Total Cost of Sales	0.00	0.00	0.00	134,532.98	0.00	134,532.98
Gross Profit	9,257.51	8,702.00	555.51	109,964.51	104,413.00	5,551.51
Expenses						
Office Supplies	81.65	0.00	81.65	175.79	50.00	125.79
Management Fee	594.62	566.00	28.62	7,494.04	6,787.00	707.04
Legal and Accounting Assn	82.00	0.00	82.00	12,852.00	0.00	12,852.00
Exterminating	0.00	0.00	0.00	15.00	0.00	15.00
Credit Ck Fees	0.00	0.00	0.00	150.92	0.00	150.92
Advertising Assn	0.00	0.00	0.00	1,127.71	0.00	1,127.71
Carpet Cleaning	0.00	0.00	0.00	650.89	0.00	650.89
Heating & Air	90.00	42.00	48.00	1,207.32	500.00	707.32
Electrical & Plumbing Maint	0.00	42.00	(42.00)	76.01	500.00	(423.99)
Painting & Decorating	0.00	83.00	(83.00)	0.00	1,000.00	(1,000.00)
Appliance Repairs	0.00	42.00	(42.00)	324.00	500.00	(176.00)
Janitor	0.00	0.00	0.00	438.60	0.00	438.60
Supplies	0.00	21.00	(21.00)	507.45	250.00	257.45

	Current Month	Current Month	Current Month	Year to Date	Year to Date	Year to Date
	Actual	Budget	Variance	Actual	Budget	Variance
Locks	0.00	0.00	0.00	49.97	0.00	49.97
Carpet	0.00	42.00	(42.00)	0.00	500.00	(500.00)
Maintenance Assn	0.00	0.00	0.00	136.51	0.00	136.51
Maintenance	0.00	42.00	(42.00)	532.72	500.00	32.72
Security	0.00	8.00	(8.00)	0.00	100.00	(100.00)
Electricity Assn	36.98	0.00	36.98	514.64	0.00	514.64
Condo Assessment Rental Units	3,205.83	2,500.00	705.83	39,962.63	30,000.00	9,962.63
Assessment & Cable Assn	0.00	0.00	0.00	(40.00)	0.00	(40.00)
Cable TV	588.00	434.00	154.00	7,336.40	5,200.00	2,136.40
Real Estate tax expense Assn	0.00	0.00	0.00	11,895.99	0.00	11,895.99
Real Estate tax expense	0.00	2,500.00	(2,500.00)	31,724.64	30,000.00	1,724.64
Loan Interest	2,137.74	3,037.00	(899.26)	26,275.93	36,455.00	(10,179.07)
Professional Fees Assn	0.00	0.00	0.00	400.00	0.00	400.00
Filing Fees Assn	(125.00)	0.00	(125.00)	10.00	0.00	10.00
Bldg Insurance	0.00	209.00	(209.00)	2,624.00	2,500.00	124.00
Total Expenses	<u>6,691.82</u>	<u>9,568.00</u>	<u>(2,876.18)</u>	<u>146,443.16</u>	<u>114,842.00</u>	<u>31,601.16</u>
Net Income	<u>\$ 2,565.69</u>	<u>(\$ 866.00)</u>	<u>3,431.69</u>	<u>(\$ 36,478.65)</u>	<u>(\$ 10,429.00)</u>	<u>(26,049.65)</u>

Sunset Woods Housing
Balance Sheet
December 31, 2010

ASSETS

Current Assets		
General Checking	\$	10,377.78
Assn Money Mkt HP Bank & Trust		175,907.74
Assn Checking HP Bank & Trust		12,563.53
Sec.Dep. Savings		10,401.94
Savings Account		18,985.55
Accounts Receivable		<u>2,331.00</u>
Total Current Assets		230,567.54
Property and Equipment		
Building	1,552,988.40	
Building Unit 231	165,000.32	
Building Unit 319	169,999.62	
Building Unit 321	170,000.00	
Accum Dep Building	<u>(281,481.00)</u>	
Total Property and Equipment		1,776,507.34
Other Assets		
Total Other Assets		<u>0.00</u>
Total Assets		<u><u>\$ 2,007,074.88</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Due to Peers Housing Assn	\$	386,542.50
Accrued RE Tax		32,400.00
Accrued RE Taxes Assn		10,330.50
Security Deposits		<u>9,280.00</u>
Total Current Liabilities		438,553.00
Long-Term Liabilities		
Notes Payable, Harris	451,531.79	
Notes Payable, Lake Co	64,056.29	
Notes Payable, IHDA	<u>127,668.52</u>	
Total Long-Term Liabilities		<u>643,256.60</u>
Total Liabilities		1,081,809.60
Capital		
Equity-Retained Earnings	961,743.93	
Net Income	<u>(36,478.65)</u>	
Total Capital		<u>925,265.28</u>
Total Liabilities & Capital		<u><u>\$ 2,007,074.88</u></u>

Sunset Woods - December 30, 2010

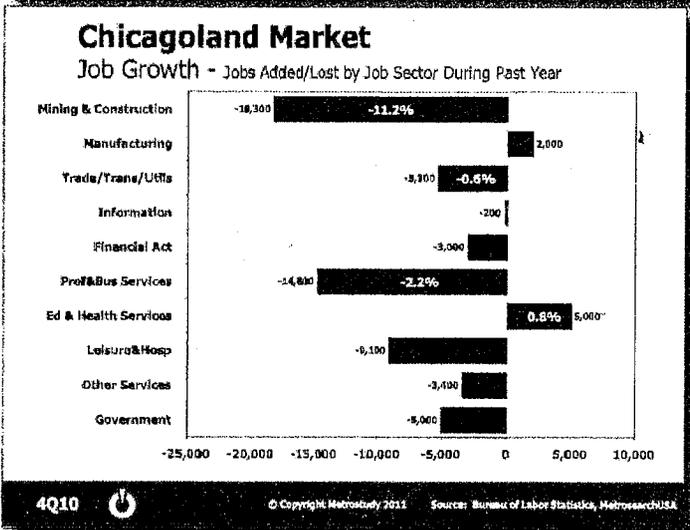
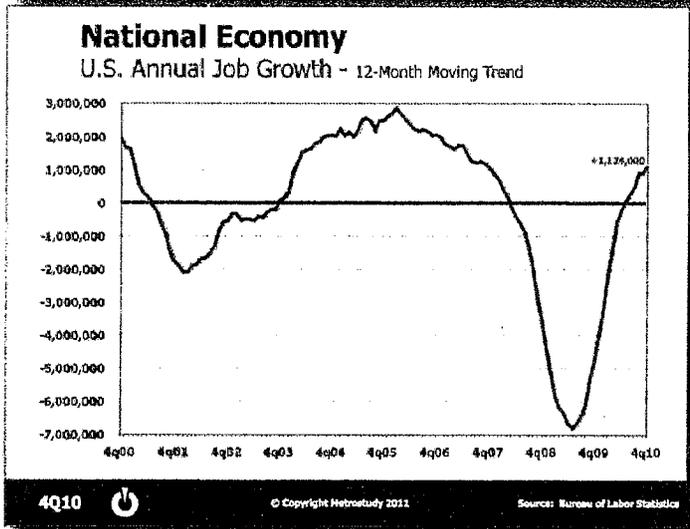
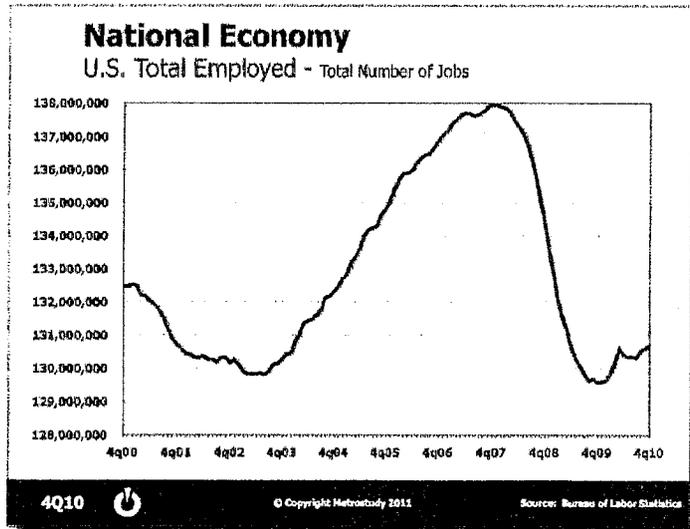
Ending balance checking	\$ 10,378
Ending balance operating reserve	<u>\$ 18,986</u>
TOTAL	\$ 29,364

ECONOMIC OVERVIEW

Nationally, the number of people working today is equal to the number working coming out of the last recession back in 2001. There are nearly 131 million jobs in the U.S. economy at this time and more than a million have been added since the end of 2009. To put things into perspective, approximately 2.5 million jobs were lost from peak to trough in the recession of 2001, as illustrate on the chart to the right. From the end of 2003, when job growth resumed, to 2007, the U.S. economy added nearly 8 million jobs. Four years of job growth (from 2003 to 2007) were wiped out in little more than a year, which is one reason this recession has been so painful. The chart shown puts one in mind of charts pertaining to the housing bubble.

It is safe to say that in many respects we are back where we were at the start of 2002, certainly in terms of the job market. In 2010 a total of over 1.1 million jobs were added to the U.S. economy, good news following the steep declines experienced from 2007 to 2009. Keep in mind that these are national numbers. Here in the midwest, the decline has seemed more pronounced while the recovery doesn't seem to have arrived yet. Local job numbers support this more pessimistic outlook regarding jobs in Illinois and Chicago. Illinois ranks 48th in job growth (or, more accurately, losses) among states while Chicago is (gulp) dead last among the 362 CBSA's tracked by the federal government.

In 2010, the Chicago market saw a decline of approximately **52,100** jobs. There are currently 4.22 million jobs in the Chicagoland area. At the peak in 2008 there were nearly 4.6 million jobs here. Going all the way back to 1990, there were, at that time, 4.02 million jobs in Chicago. Thus, in twenty years, the Chicago market has added a total net of just 200,000 jobs, or an average of 10,000 per year (an average growth rate of just 0.2%). Jobs have been an issue in Illinois, based on these numbers, for the past twenty years, which makes the task ahead even more challenging.



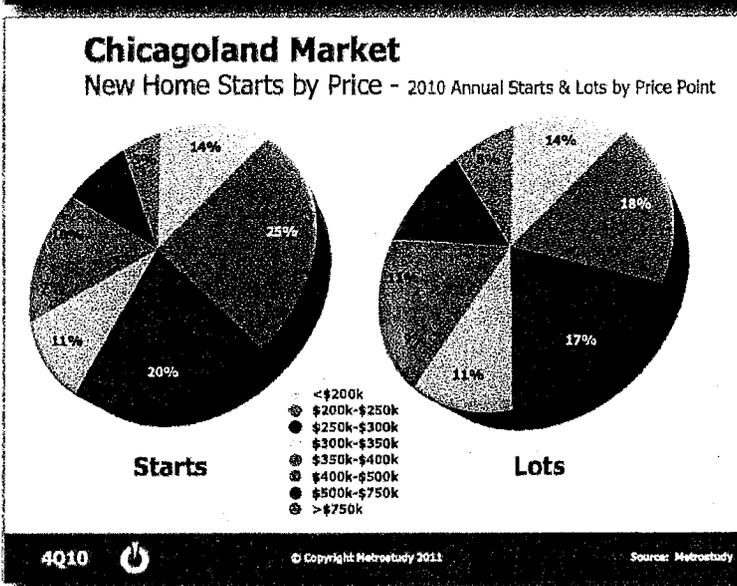
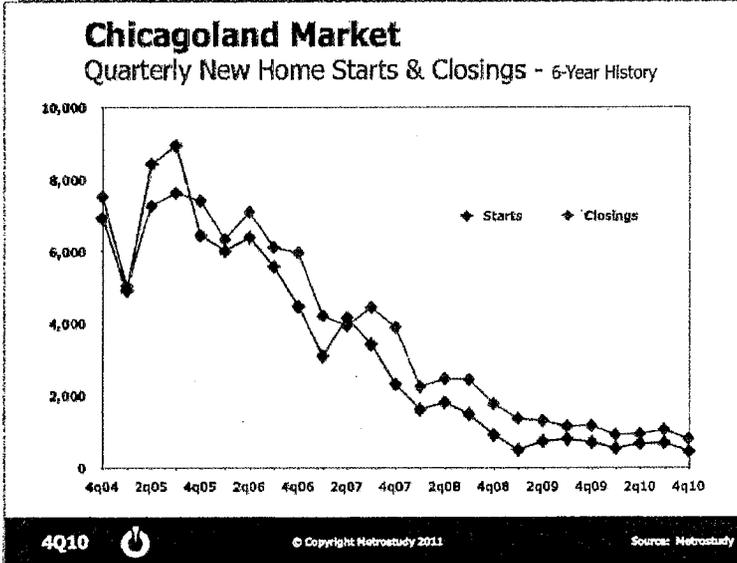
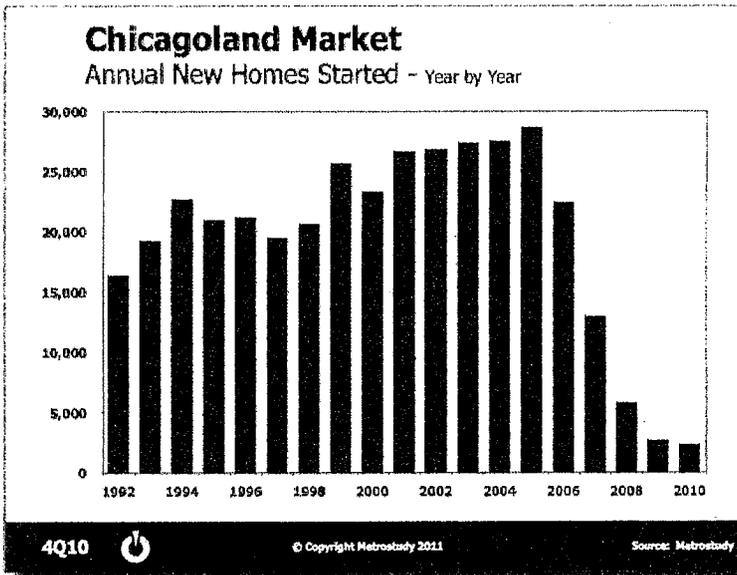
Chris Hueckelstadt

HOUSING MARKET TRENDS

Including single-family detached units, townhome units and duplex units in the nine-county Chicagoland area, there were a total of 2,340 new units started in 2010, a slight decline from the 2,711 units started in 2009. Metrostudy tallies the actual number of units to go under construction and does not rely on permit numbers reported by the government. The 2,340 units counted this year is the actual number of housing units begun by homebuilders in the Chicago market. This represents a drastic decline from peak levels and from the 15,000 units that were started following the previous recession of 1991. It seems the market has nowhere to go but up, however, several indicators point to another slow year in 2011.

Since 2008 The Chicago market has recorded fewer than 800 starts each quarter. The fourth quarter 2010 tally of 449 new home starts marks a new low-point in quarterly construction activity. Since Metrostudy began surveying the housing market in 1990, there has been only one other 90-day period that saw fewer than 500 housing starts: 1q09 with 492 starts. Closings have tracked closely with new home starts, with each quarter seeing a few more closings than starts (a bit of silver lining in this dark cloud) indicating absorption of housing inventory. In three of the last four quarters, there have been fewer than 1,000 new home closings, the only time the market has seen fewer than 1,000 closings in any single quarter since 1990.

It is difficult to pinpoint any single reason for the dramatic downturn in the housing market. Too expensive housing or building homes in too far-flung of a location are popular candidates for what went wrong in the Chicago housing market. The statistics don't necessarily support the first of these statements (the latter, yes). All price points have seen a similar decline in the overall number of housing starts. In fact, with concessions being offered by many homebuilders, new homes can be bought for prices last seen in 2001 and 2002. We will likely see many of the lots in the market that were originally targeted for higher priced homes being reintroduced at much lower price points, providing a temporary boost to new home affordability in the area.

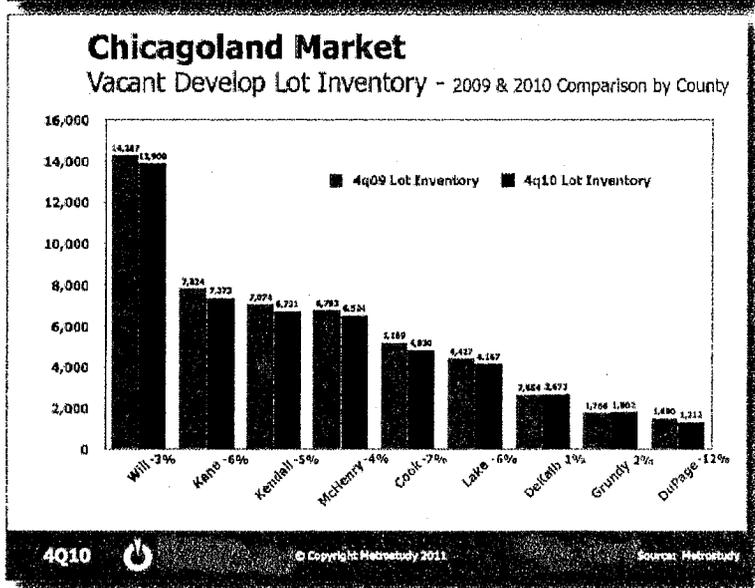
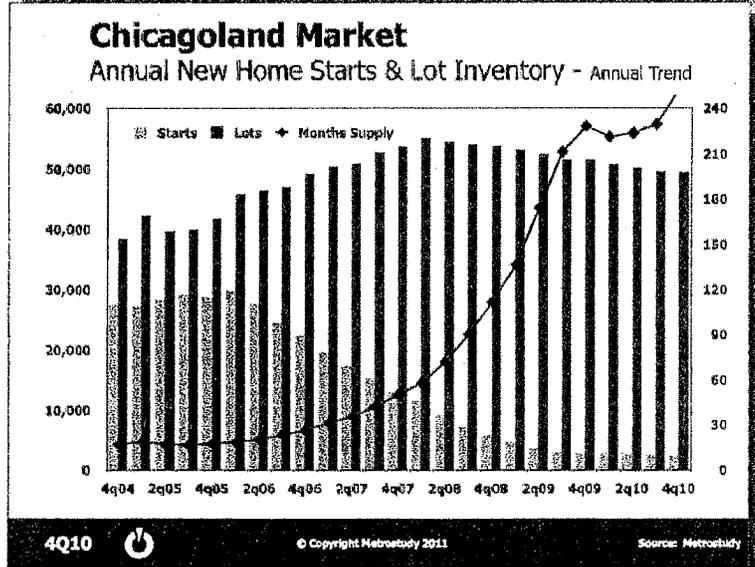
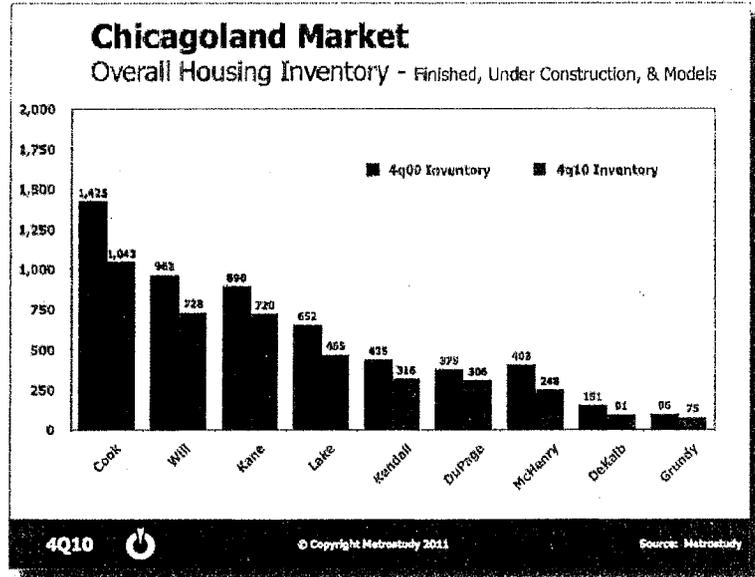


MARKET HIGHLIGHTS

As mentioned previously, housing inventory overall has declined over the past year (and has done so since 2008). Cook County saw a decline in housing inventory of nearly 400 units (these numbers exclude the vertical condominium market). Will and Kane Counties saw housing inventory drop by a combined 400+ over the past year. Housing inventory in those counties further from traditional job centers have also experienced a decline in overall housing inventory, albeit at a slower pace than closer in markets. Overall, housing inventory in the Chicagoland market is down nearly 1,400 units compared to one year ago. Given anemic demand, however, there still exists a 12.8 month supply of housing inventory (6 to 8 months in considered normal).

Available lot inventory in the Chicagoland market represents a key issue moving forward. Initially the cause of so much pain among builders, developers and lenders, the available lots in the market represent a potential opportunity for builders and developers moving forward. Once someone's problem, some of these lots will be someone else's opportunity to build. There are currently 49,312 vacant developed lots in the marketplace. Relative to the current starts pace, this represents a 252.9-month supply. The number of lots has not risen in over two years, but demand has dropped sharply. When the market saw 25,000+ new homes started in 2004 and 2005, there was just over 40,000 total lots available to be built on, a very slim 17-month supply. Lot supply has increased 25% since that time while demand has fallen by over 90%.

With the exception of DeKalb and Grundy Counties, the number of vacant developed lots has dropped over the past year. With demand (new home starts) very limited, the decreases seen have been minimal (just 3% in Will County over the past 12-months). This trend will likely continue for the foreseeable future as new lot development has been almost non-existent over the past two years and will likely remain so over the next three to five years. In 2010, a total of just 371 new lots were delivered in the entire Chicagoland region; pretty remarkable given the overall size of the region. New home demand will like be concentrated in the traditional corridors along major thoroughfares in Kane, Will, Cook, and McHenry Counties.



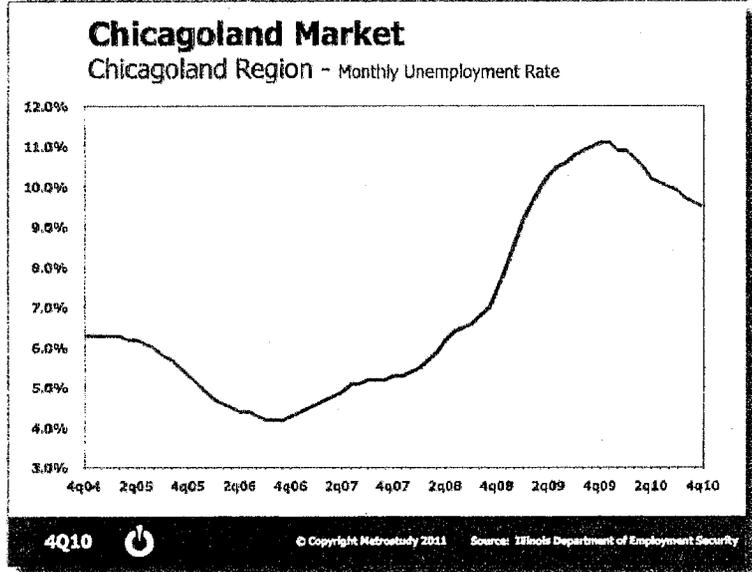
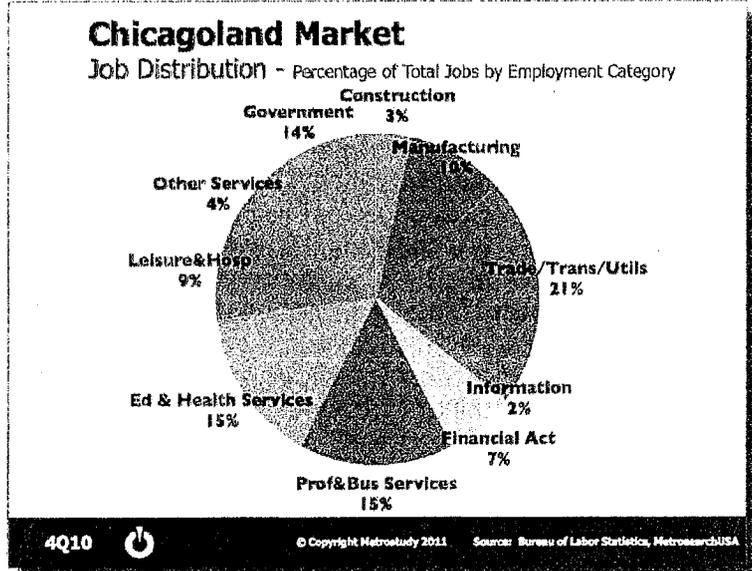
CONCLUSIONS

It is evident that the key component moving forward will be job creation. In prior editions of this report Metrostudy counseled keeping an eye on Washington and Springfield as the governments attempts to deal with the economic downturn we find ourselves in. Recently Springfield increased personal income taxes in Illinois by 67% and corporate taxes from 4.8% to 7.0% (a 45% increase). This has prompted the governors of neighboring states to comment: "It's like living next door to 'The Simpsons' - you know, the dysfunctional family down the block" - Indiana governor Mitch Daniels. Wisconsin's governor Scott Walker is bringing back an old tourism bit: "Escape to Wisconsin." Time will tell what the impact of this dramatic tax increase will be, but many seem to think jobs will continue to flee the state of Illinois.

Through 2010, the rate of unemployment in Chicago fell (hard to see given the overall decline in jobs) from over 11% to it's current level of 9.5%. This could be the result of fewer people seeking employment, or population transferring out of Chicago to someplace where job prospects are brighter. Regardless, more stock should be placed in the actual number of jobs being created (or lost) as opposed to the rate of unemployment.

Illinois also ranks among the top five states in terms of total number of foreclosures, with more expected in 2011. In fact, California, Florida, Arizona, Illinois, and Michigan accounted for more than half of all foreclosures in the U.S. The resale market has also struggled, with median prices continuing to decline, from a peak of over \$250,000 to a current level of \$175,000.

Given the above issues, it is difficult to envision a scenario where new home production increases in 2011. Barring some large unforeseen job announcements in the



Chicagoland area, it is likely that the housing market will see somewhere from 2,500 to 2,800 housing starts in 2011. There is just too much yet to be worked through before we can pronounce this housing downturn "over."

Stay tuned...

Metrostudy is the leading provider of primary and secondary market information to the housing and related industries nationwide. In addition to providing information, the company is recognized for its consulting expertise on development, marketing and economic issues, and is a key source of research studies evaluating the feasibility of residential and commercial real estate projects. Services are offered through an extensive network of offices strategically located in major metropolitan areas throughout the country.